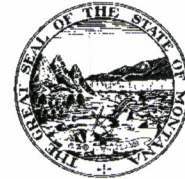




Mike Kadas
Director

EXHIBIT 3
DATE 3-21-13
HB HB532

Montana Department of Revenue



Steve Bullock
Governor

To: House Taxation Committee

From: Dan Dodds, Senior Economist

Date: March 20, 2013

Subject: Taxpayer impacts of HB 532

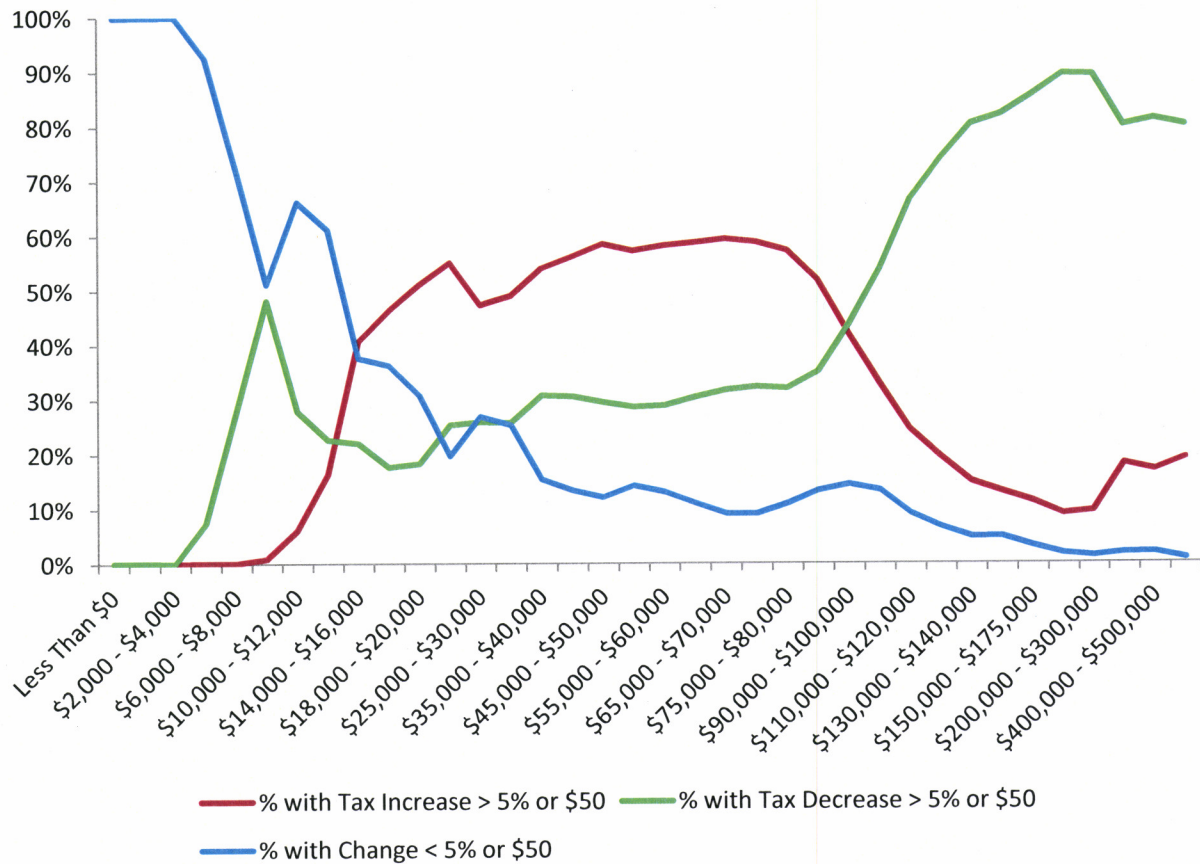
The following graphs show impacts of HB532 on groups of taxpayers. For each group, there are four graphs. The first shows the percent of returns with a tax increase of at least 5% or \$50, the percent with a tax decrease of at least 5% or \$50, and the percent with less than 5% or \$50 change. The second graph shows the average change in tax liability at different income levels. The third graph shows the same information as the second with the scale expanded to show more detail about changes for returns with low and middle incomes. The fourth graph shows the percentage change in tax liability at different income levels. Tables attached at the end show the data for each set of graphs.

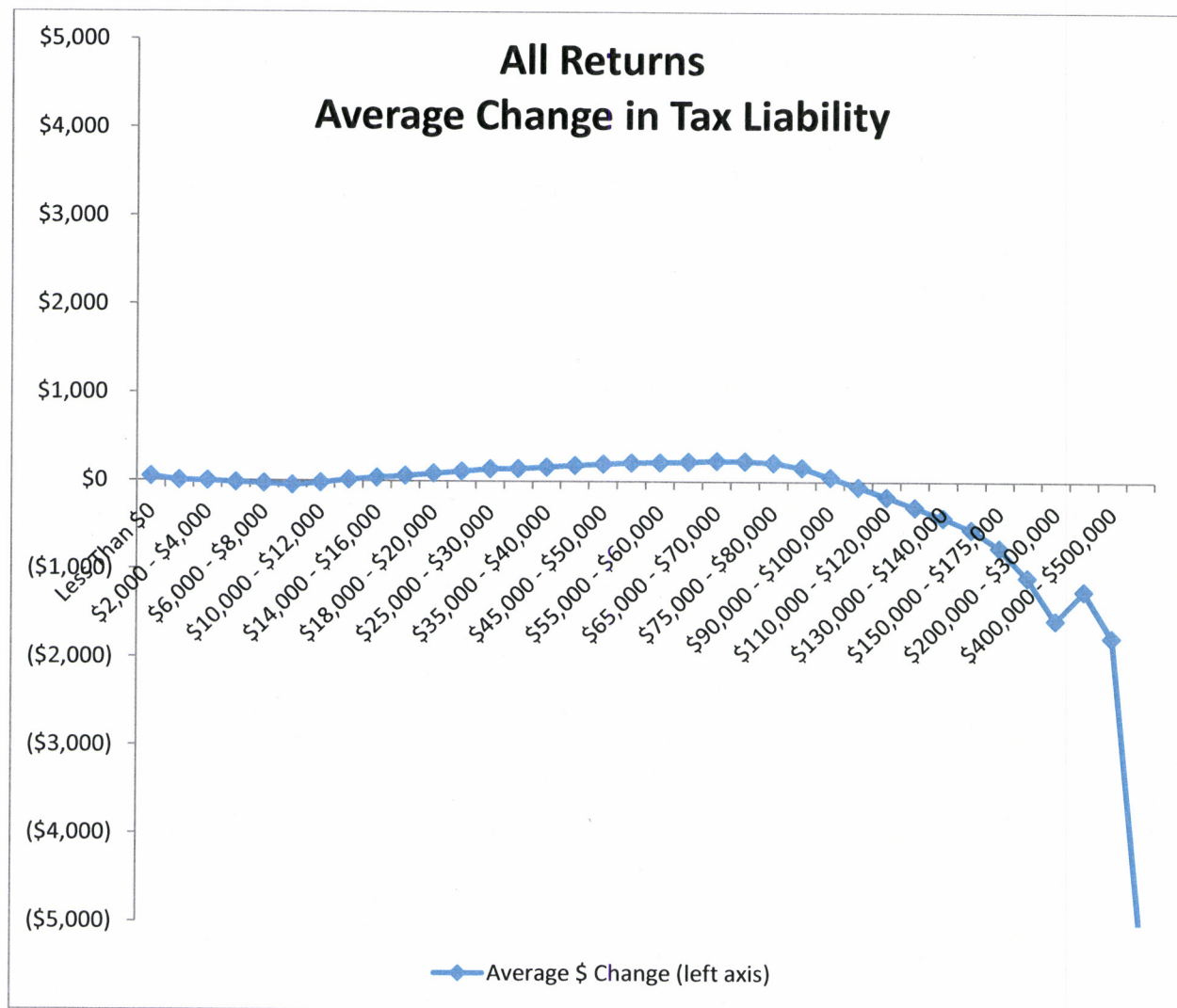
The graphs show returns grouped by

- All Returns
- Filing status on 2011 return
 - Head of Household,
 - Joint,
 - Married Separate, and
 - Single
- Whether taxpayers have dependents
 - Dependents, and
 - No Dependents
- Age
 - Returns with one taxpayer age 65 or older, and
 - Returns with no taxpayer age 65 or older
- Capital Gains
 - Returns with a net loss on the capital gains line,
 - Returns with zero capital gains, and
 - Returns with a net gain on the capital gains line,
- Deductions
 - Returns with Itemized Deductions, and
 - Returns taking the Standard Deduction

All Returns

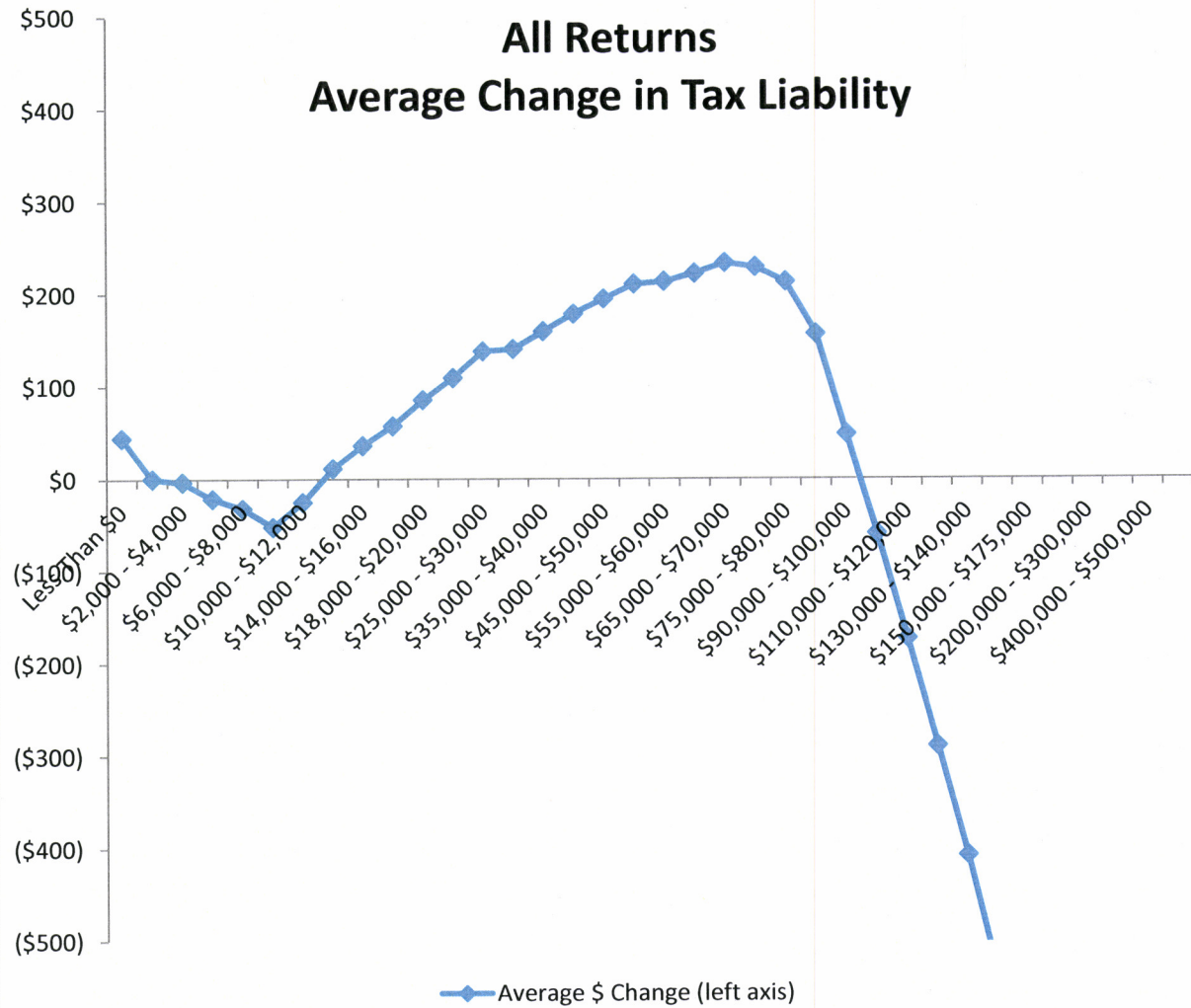
% With Increase, Decrease & No Change All Returns

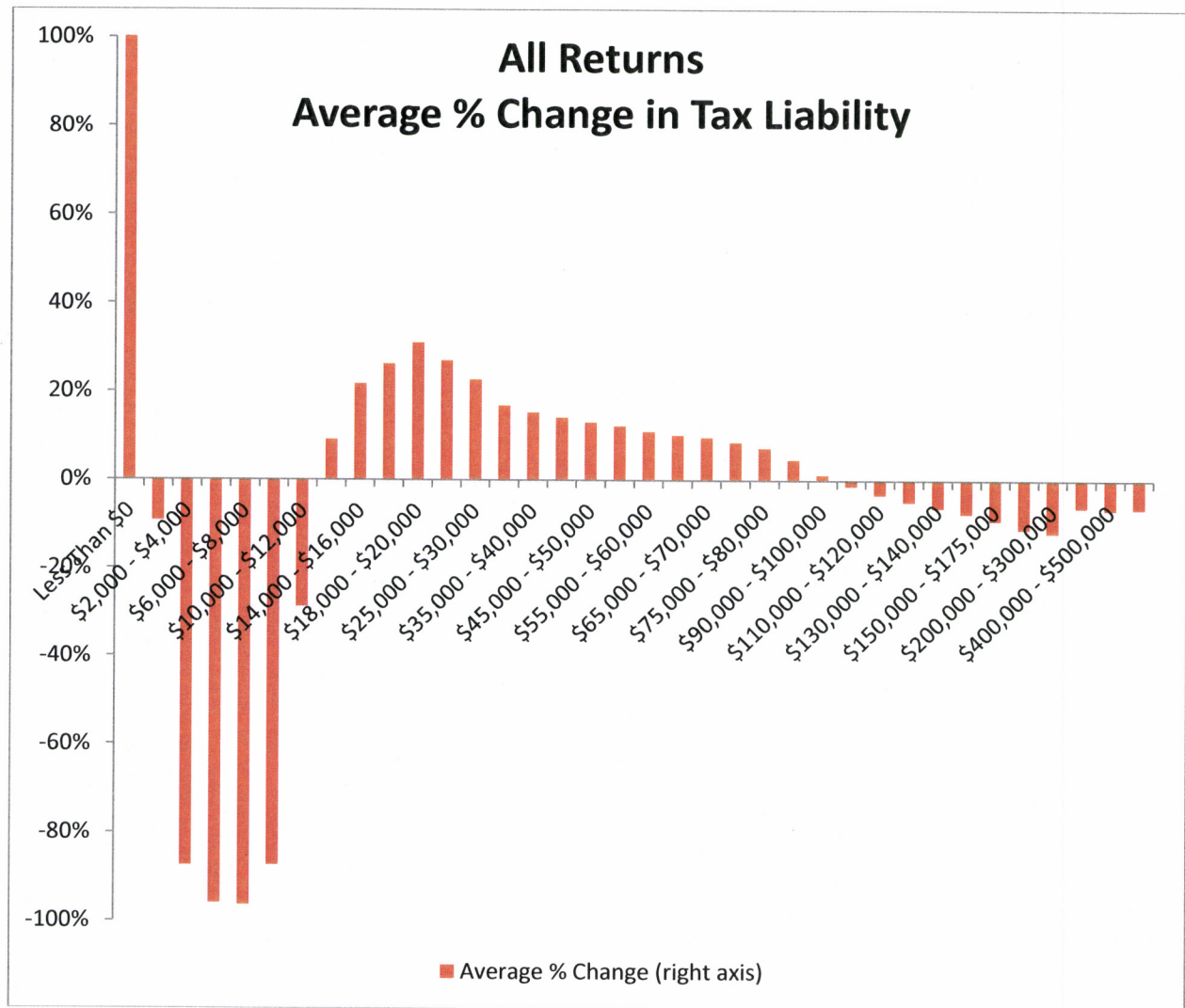




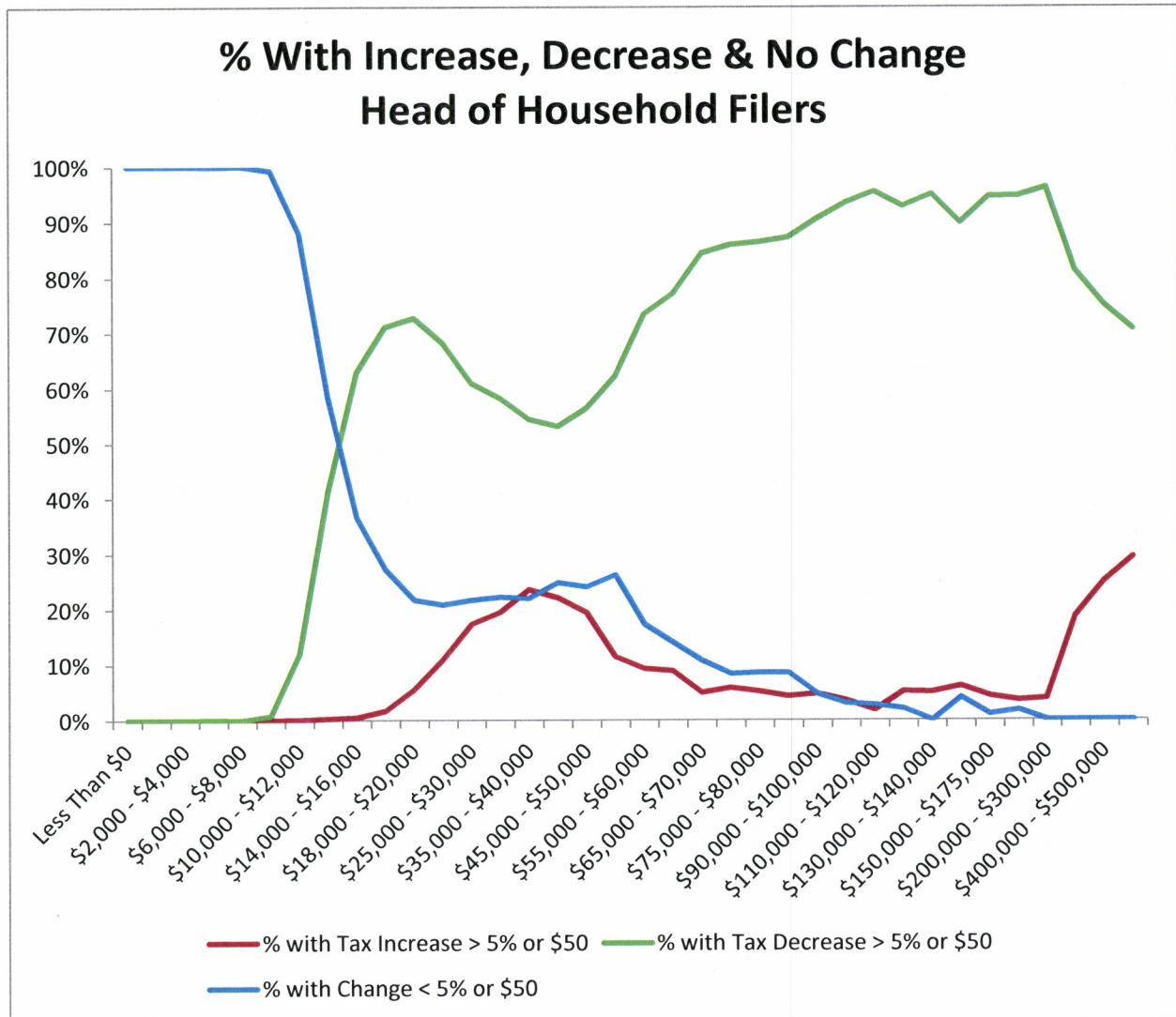
All Returns

Average Change in Tax Liability

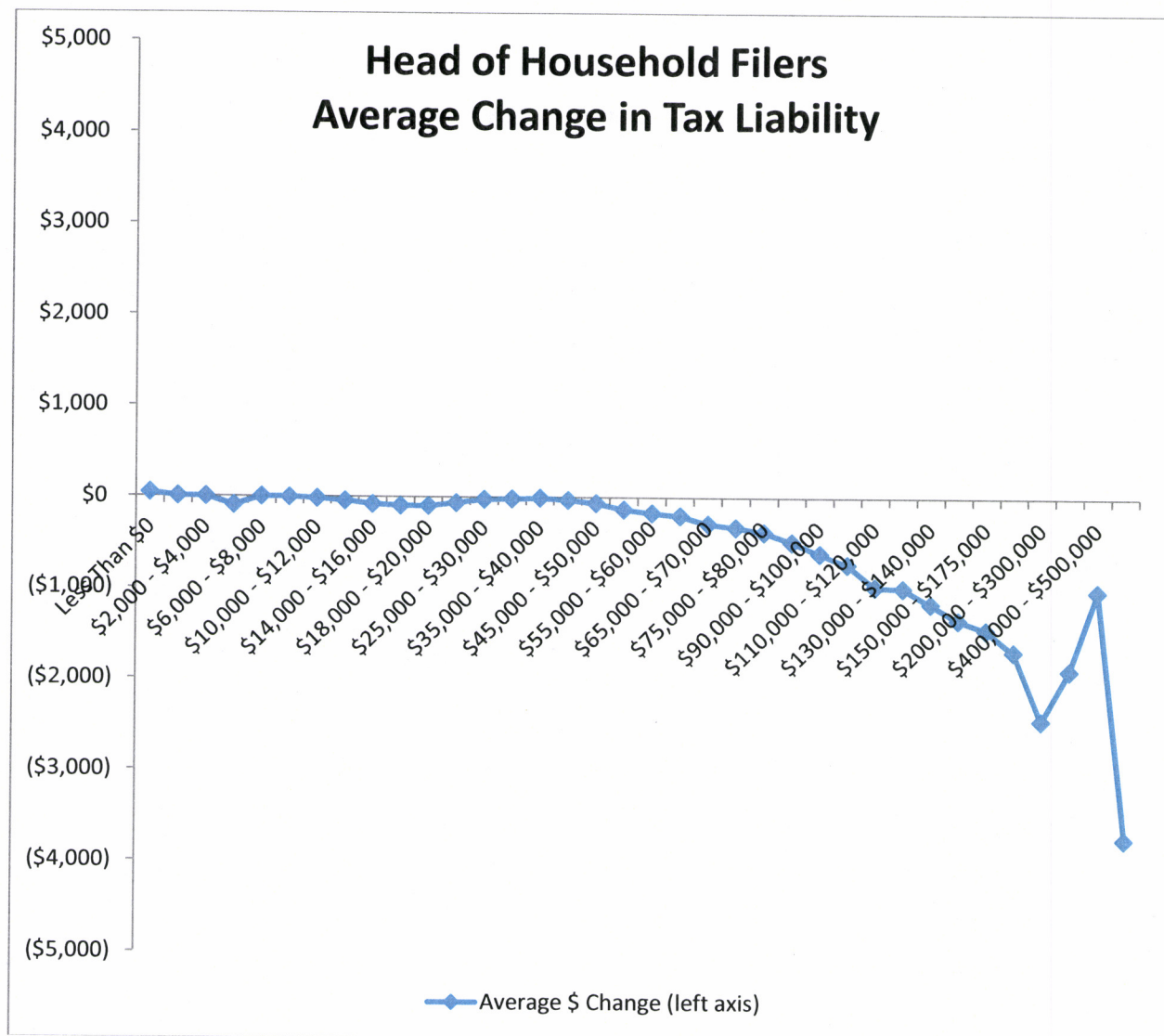




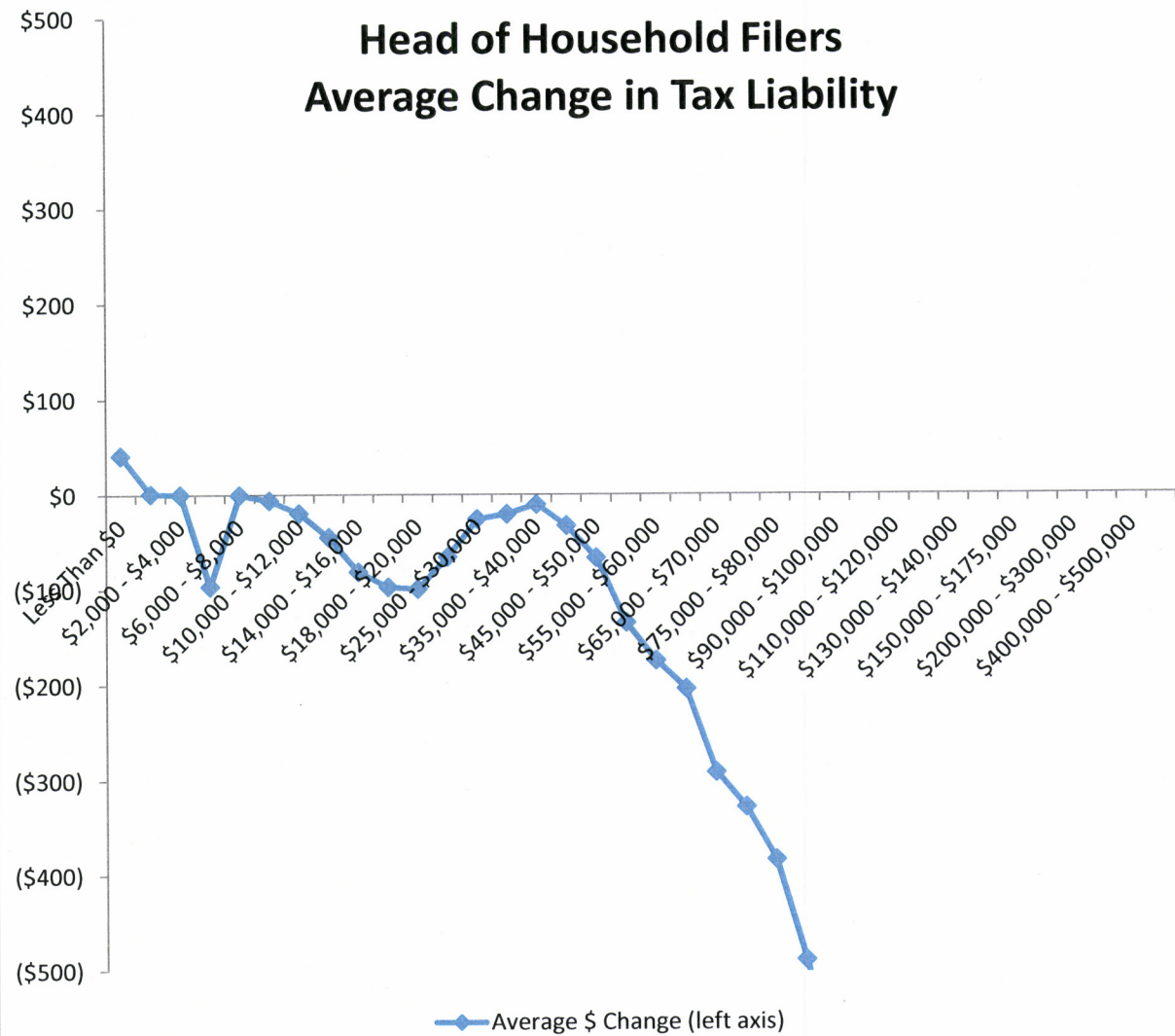
Returns Grouped by Filing Status



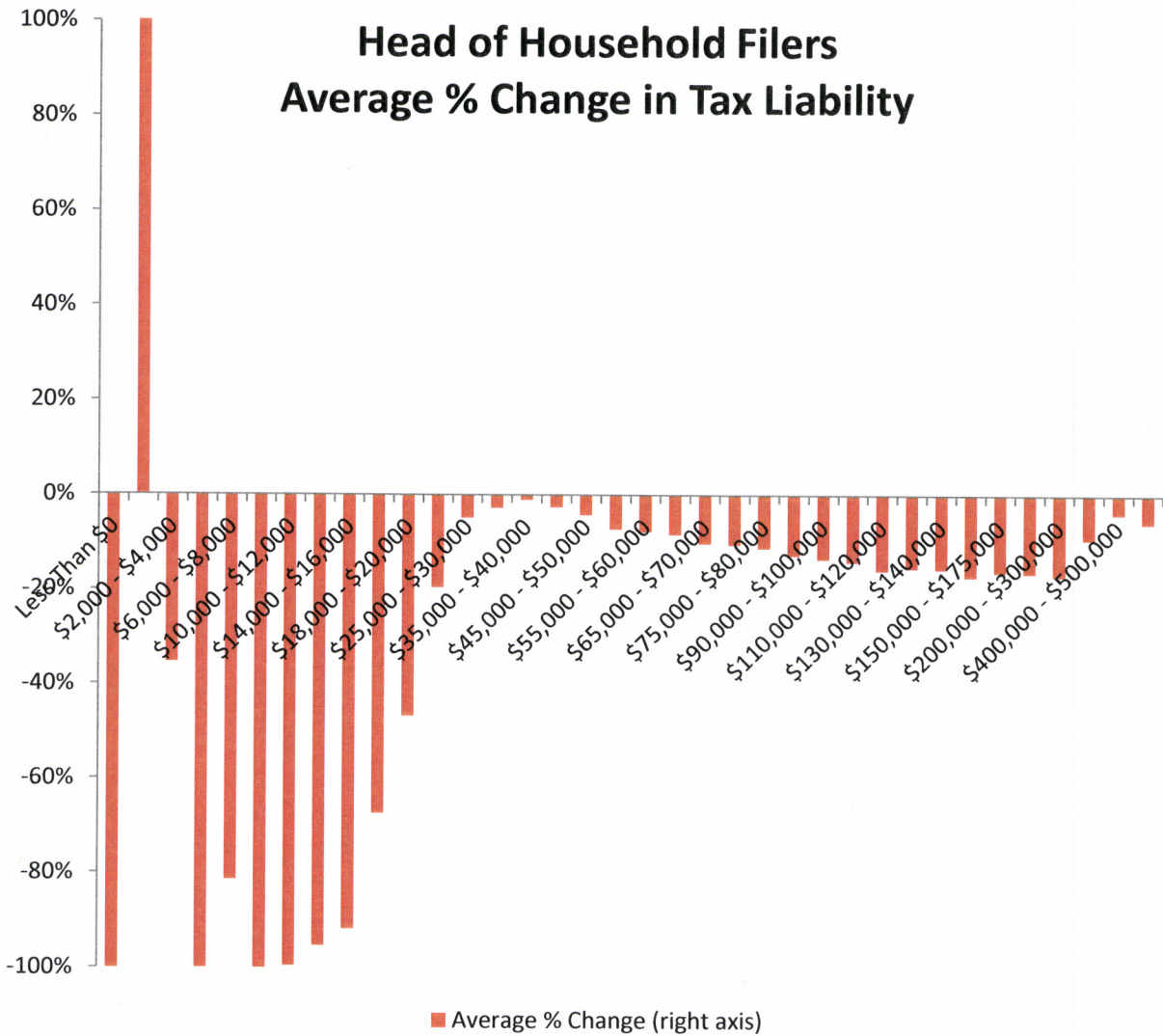
Head of Household Filers Average Change in Tax Liability



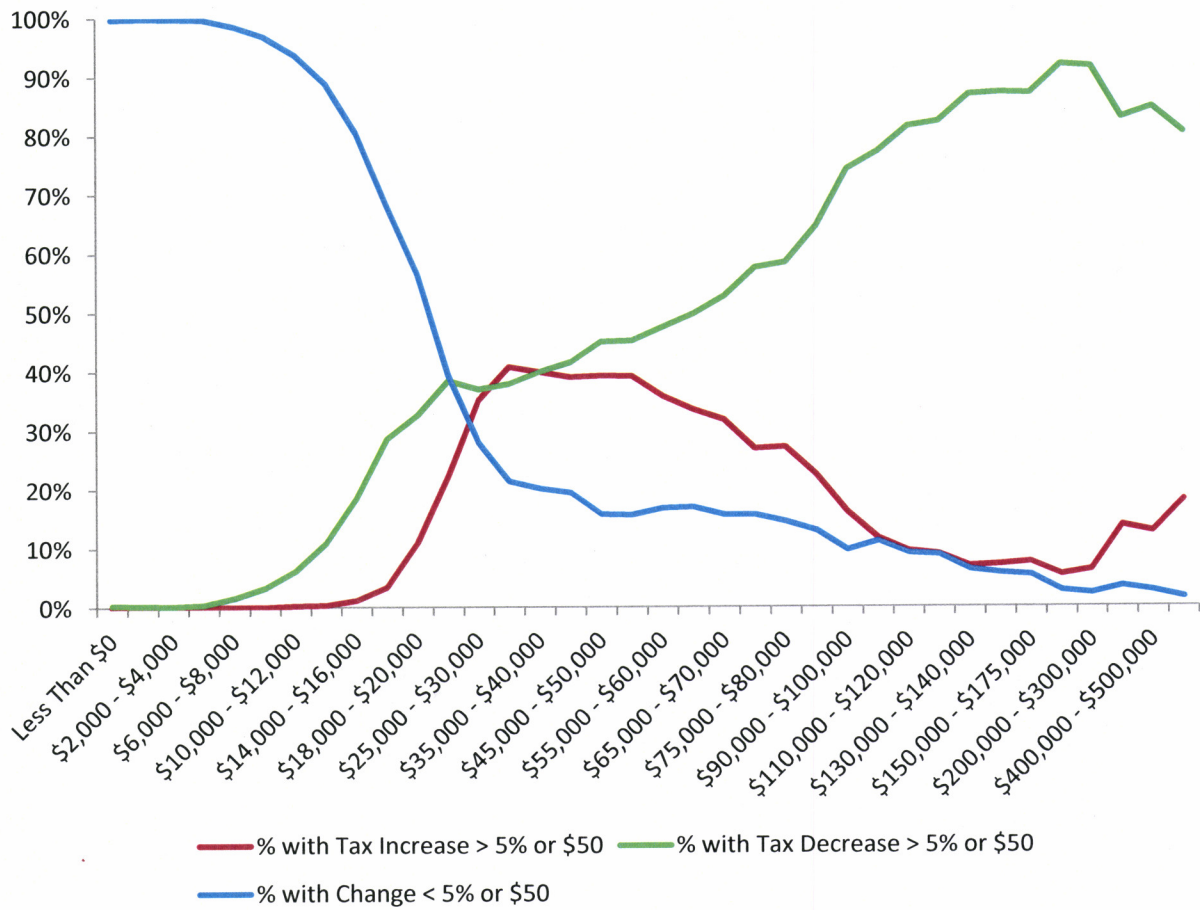
Head of Household Filers Average Change in Tax Liability



Head of Household Filers Average % Change in Tax Liability



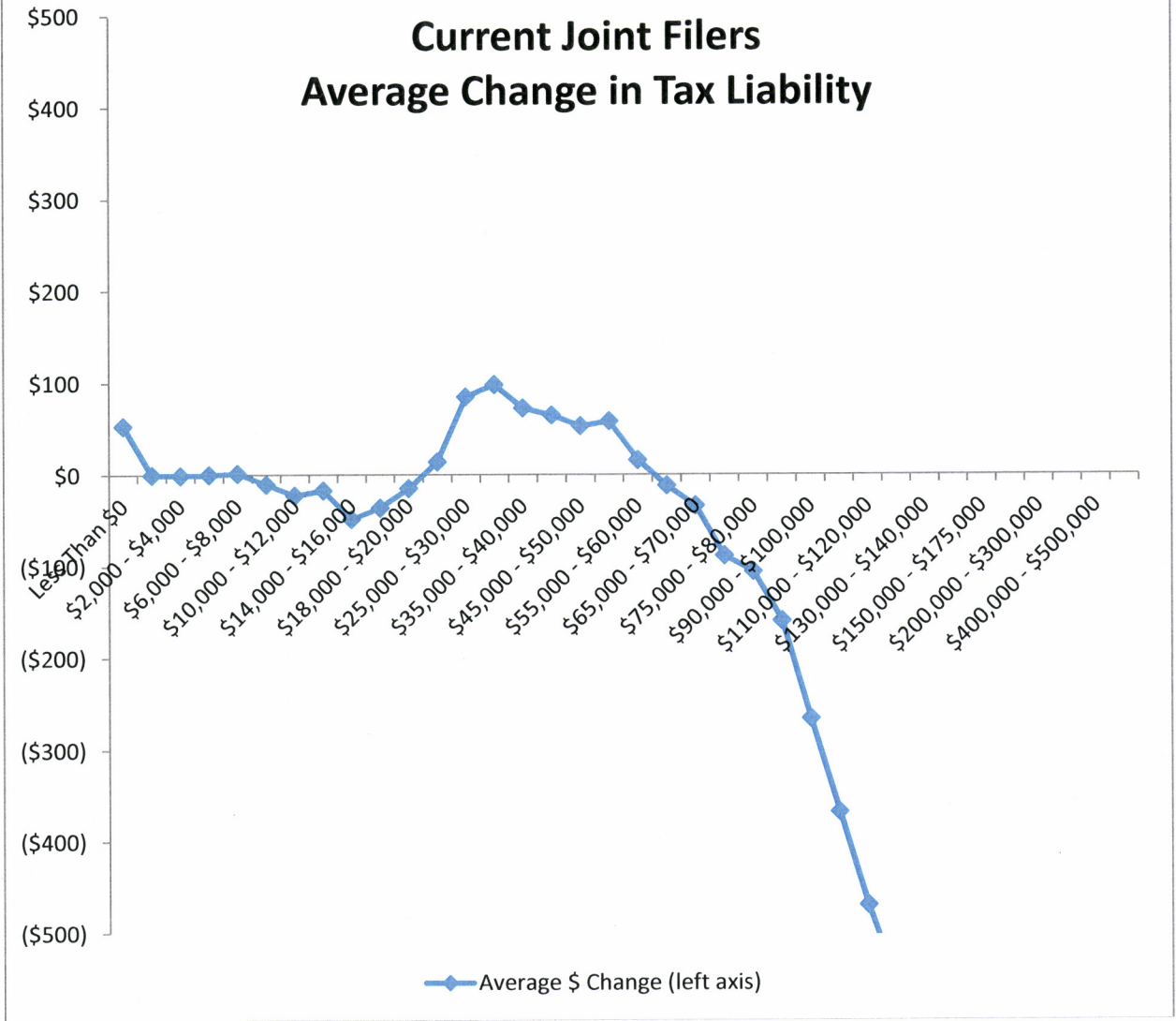
% With Increase, Decrease & No Change Current Joint Filers



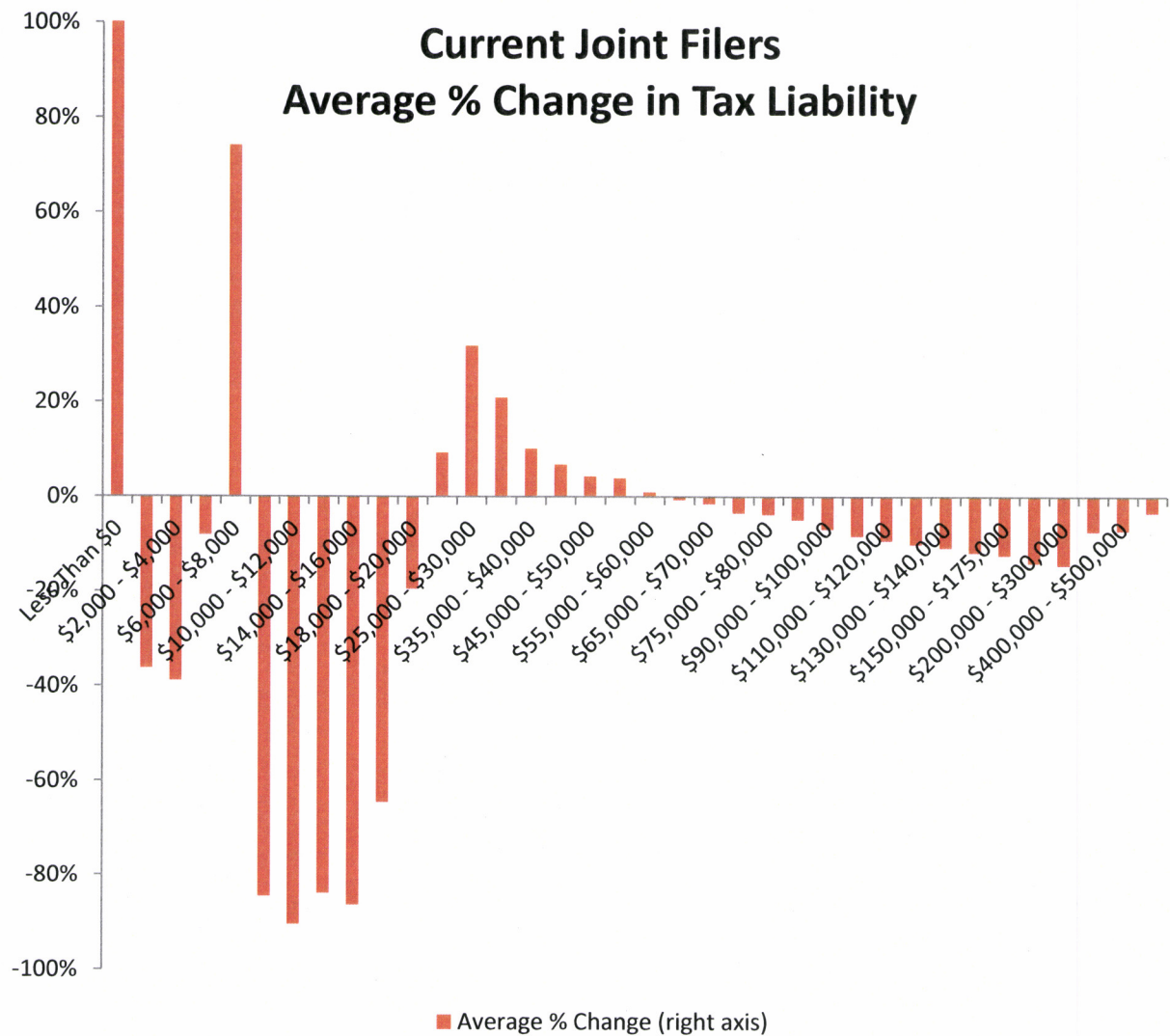
Current Joint Filers
Average Change in Tax Liability

Income Bracket	Average \$ Change (left axis)
Less Than \$0	\$100
\$0 - \$4,000	\$0
\$4,000 - \$8,000	\$0
\$8,000 - \$12,000	\$0
\$12,000 - \$16,000	\$0
\$16,000 - \$20,000	\$0
\$20,000 - \$25,000	\$0
\$25,000 - \$30,000	\$0
\$30,000 - \$35,000	\$0
\$35,000 - \$40,000	\$100
\$40,000 - \$45,000	\$100
\$45,000 - \$50,000	\$0
\$50,000 - \$55,000	\$0
\$55,000 - \$60,000	\$0
\$60,000 - \$65,000	\$0
\$65,000 - \$70,000	\$0
\$70,000 - \$75,000	\$0
\$75,000 - \$80,000	\$0
\$80,000 - \$85,000	\$0
\$85,000 - \$90,000	\$0
\$90,000 - \$95,000	\$0
\$95,000 - \$100,000	\$0
\$100,000 - \$105,000	\$0
\$105,000 - \$110,000	\$0
\$110,000 - \$115,000	\$0
\$115,000 - \$120,000	\$0
\$120,000 - \$125,000	\$0
\$125,000 - \$130,000	\$0
\$130,000 - \$135,000	\$0
\$135,000 - \$140,000	\$0
\$140,000 - \$145,000	\$0
\$145,000 - \$150,000	\$0
\$150,000 - \$155,000	\$0
\$155,000 - \$160,000	\$0
\$160,000 - \$165,000	\$0
\$165,000 - \$170,000	\$0
\$170,000 - \$175,000	\$0
\$175,000 - \$180,000	\$0
\$180,000 - \$185,000	\$0
\$185,000 - \$190,000	\$0
\$190,000 - \$195,000	\$0
\$195,000 - \$200,000	\$0
\$200,000 - \$205,000	\$0
\$205,000 - \$210,000	\$0
\$210,000 - \$215,000	\$0
\$215,000 - \$220,000	\$0
\$220,000 - \$225,000	\$0
\$225,000 - \$230,000	\$0
\$230,000 - \$235,000	\$0
\$235,000 - \$240,000	\$0
\$240,000 - \$245,000	\$0
\$245,000 - \$250,000	\$0
\$250,000 - \$255,000	\$0
\$255,000 - \$260,000	\$0
\$260,000 - \$265,000	\$0
\$265,000 - \$270,000	\$0
\$270,000 - \$275,000	\$0
\$275,000 - \$280,000	\$0
\$280,000 - \$285,000	\$0
\$285,000 - \$290,000	\$0
\$290,000 - \$295,000	\$0
\$295,000 - \$300,000	\$0
\$300,000 - \$305,000	\$0
\$305,000 - \$310,000	\$0
\$310,000 - \$315,000	\$0
\$315,000 - \$320,000	\$0
\$320,000 - \$325,000	\$0
\$325,000 - \$330,000	\$0
\$330,000 - \$335,000	\$0
\$335,000 - \$340,000	\$0
\$340,000 - \$345,000	\$0
\$345,000 - \$350,000	\$0
\$350,000 - \$355,000	\$0
\$355,000 - \$360,000	\$0
\$360,000 - \$365,000	\$0
\$365,000 - \$370,000	\$0
\$370,000 - \$375,000	\$0
\$375,000 - \$380,000	\$0
\$380,000 - \$385,000	\$0
\$385,000 - \$390,000	\$0
\$390,000 - \$395,000	\$0
\$395,000 - \$400,000	\$0
\$400,000 - \$405,000	\$0
\$405,000 - \$410,000	\$0
\$410,000 - \$415,000	\$0
\$415,000 - \$420,000	\$0
\$420,000 - \$425,000	\$0
\$425,000 - \$430,000	\$0
\$430,000 - \$435,000	\$0
\$435,000 - \$440,000	\$0
\$440,000 - \$445,000	\$0
\$445,000 - \$450,000	\$0
\$450,000 - \$455,000	\$0
\$455,000 - \$460,000	\$0
\$460,000 - \$465,000	\$0
\$465,000 - \$470,000	\$0
\$470,000 - \$475,000	\$0
\$475,000 - \$480,000	\$0
\$480,000 - \$485,000	\$0
\$485,000 - \$490,000	\$0
\$490,000 - \$495,000	\$0
\$495,000 - \$500,000	\$0

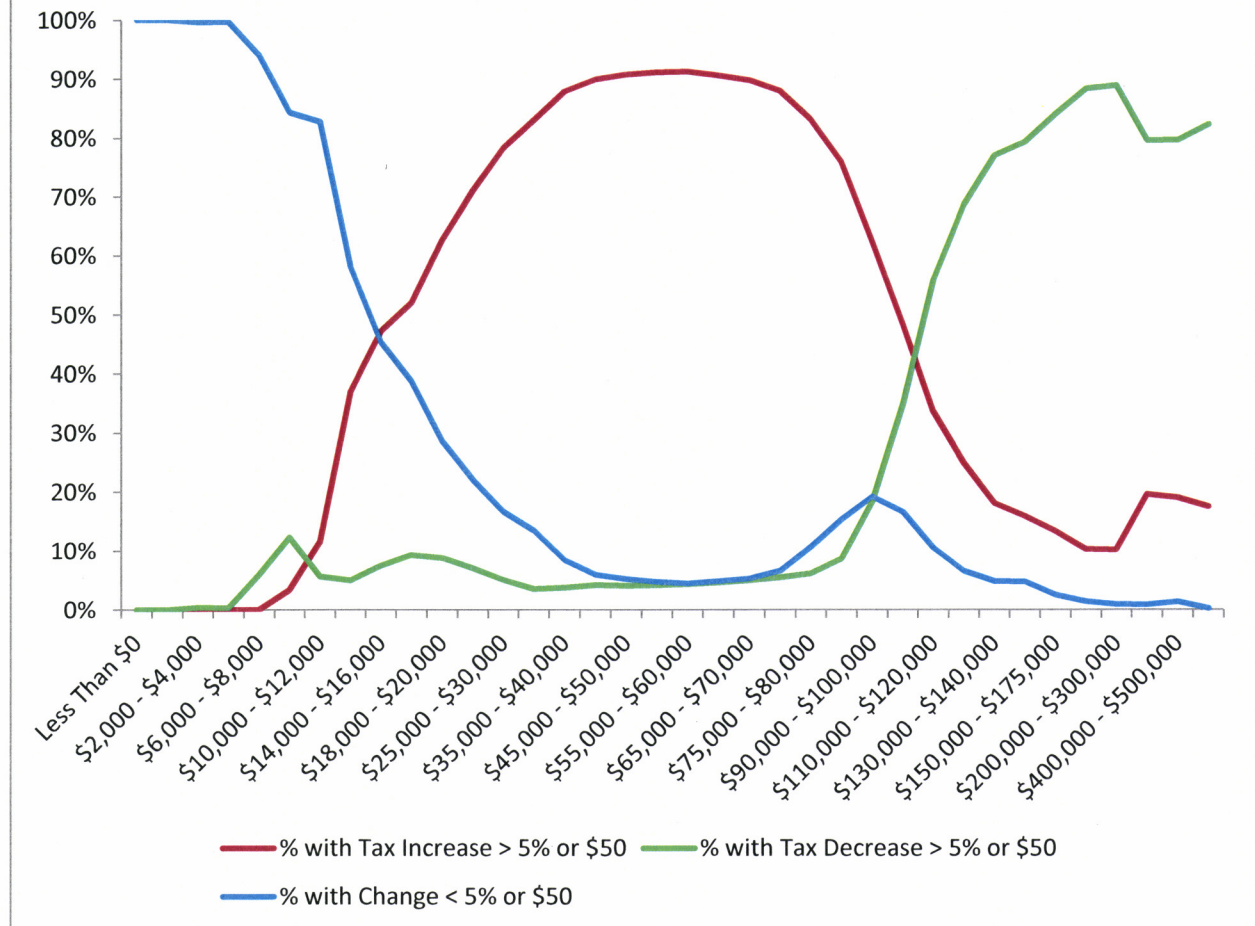
Current Joint Filers Average Change in Tax Liability



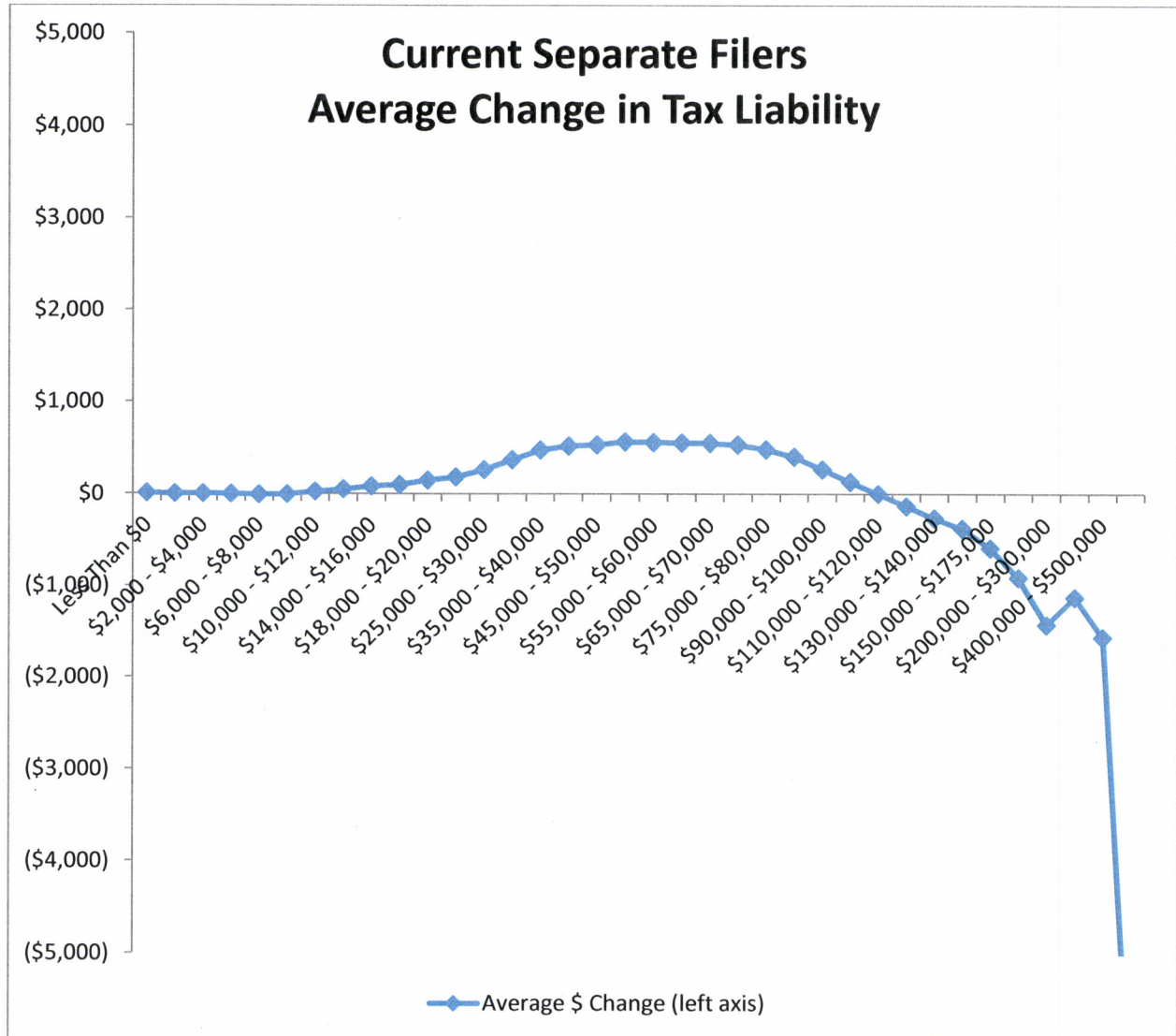
Current Joint Filers Average % Change in Tax Liability

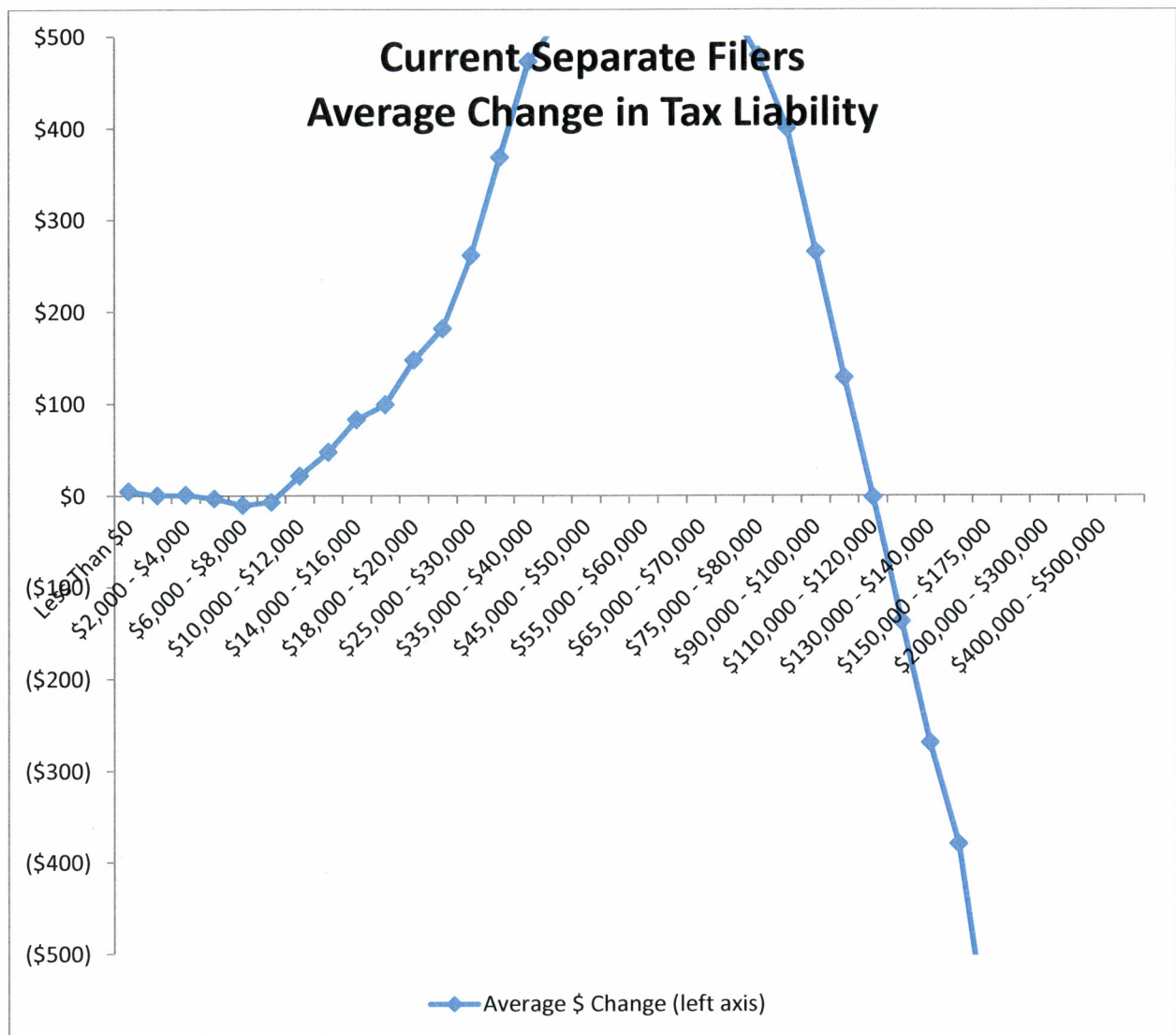


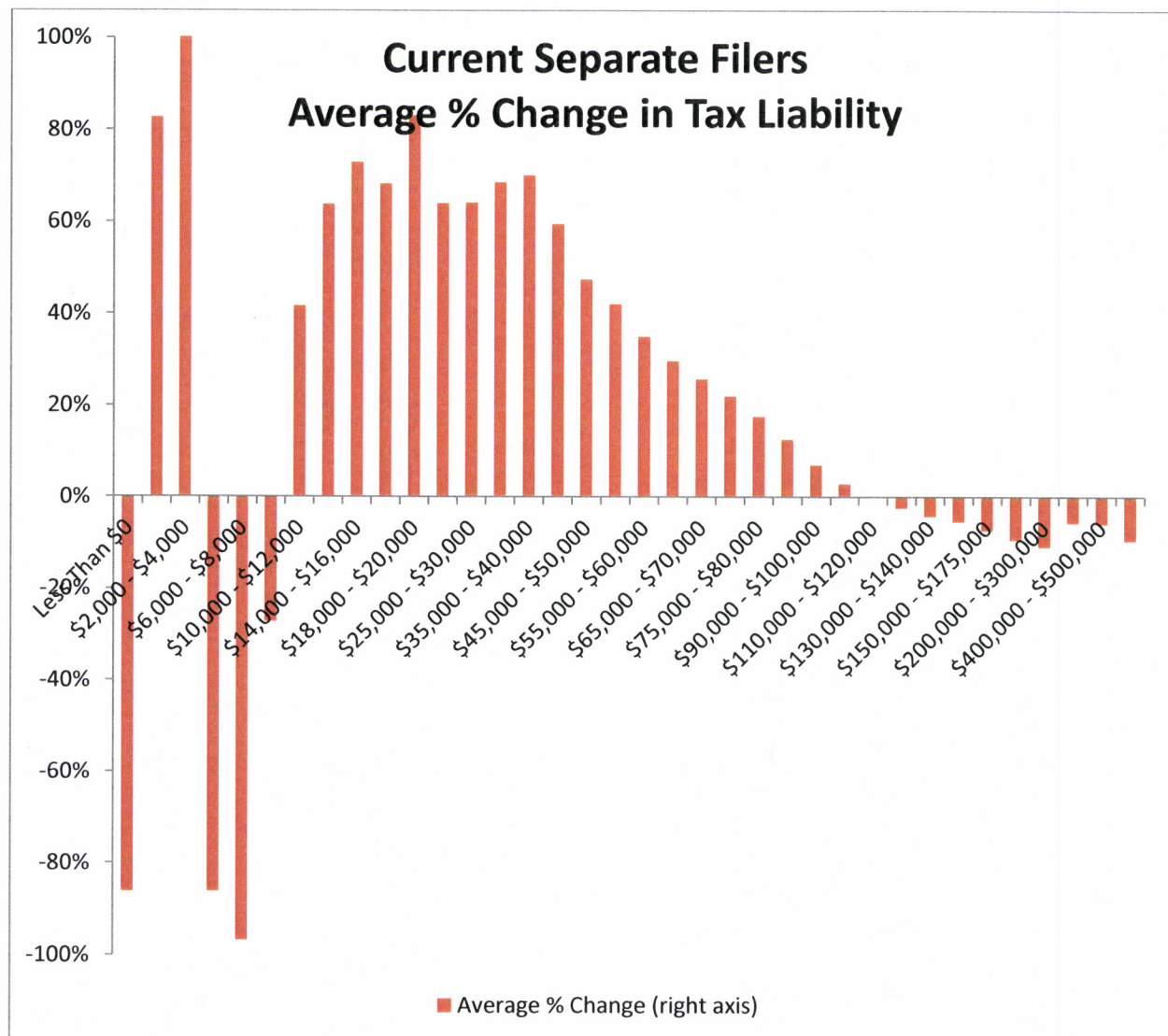
% With Increase, Decrease & No Change Current Separate Filers



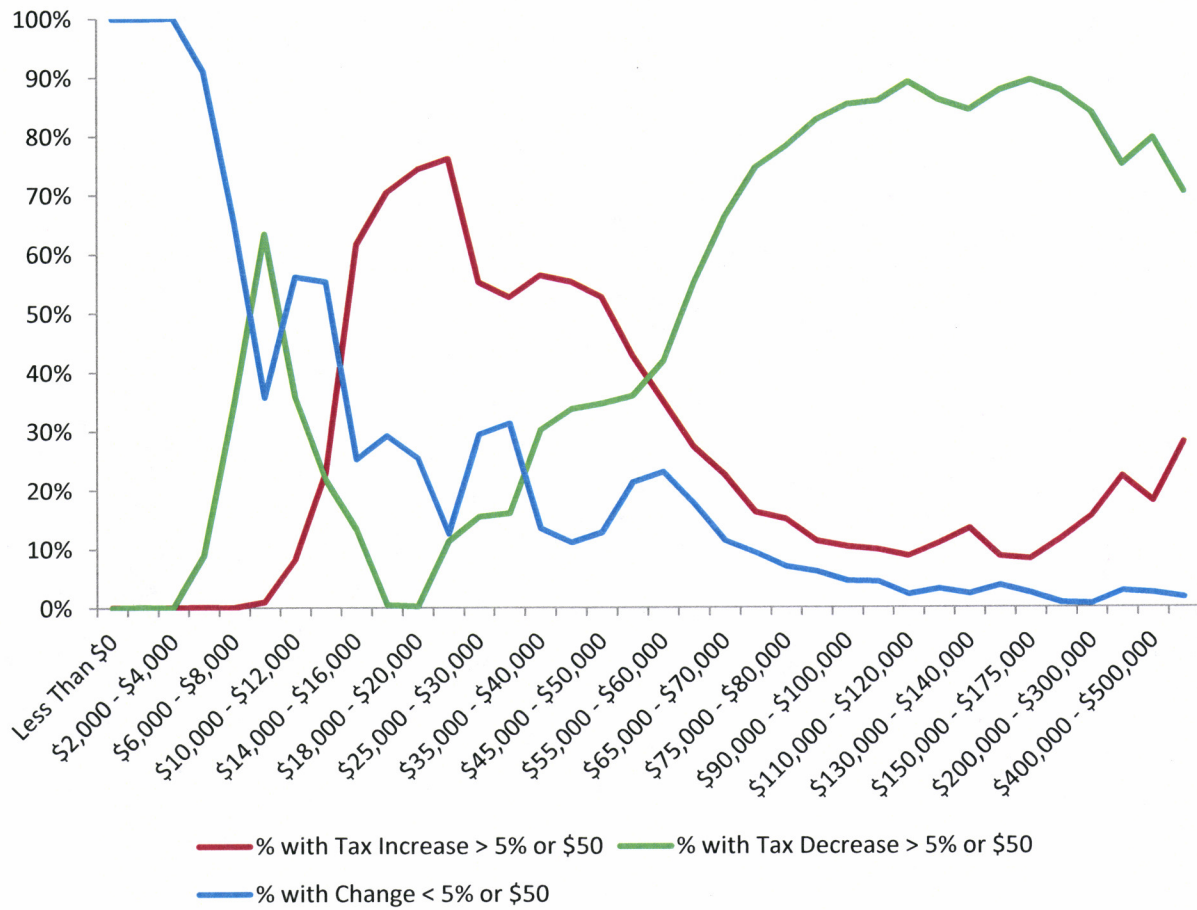
Current Separate Filers Average Change in Tax Liability

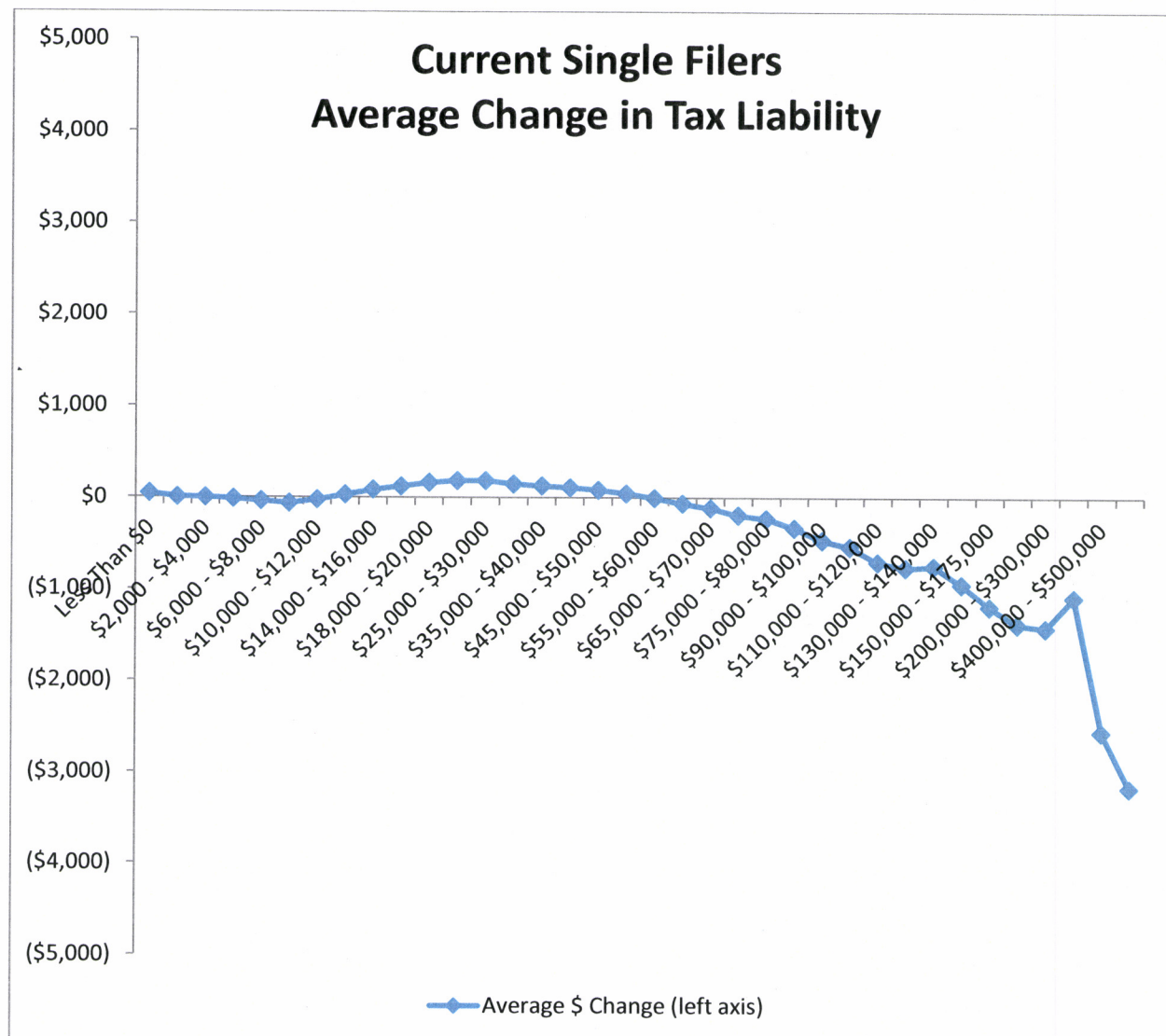




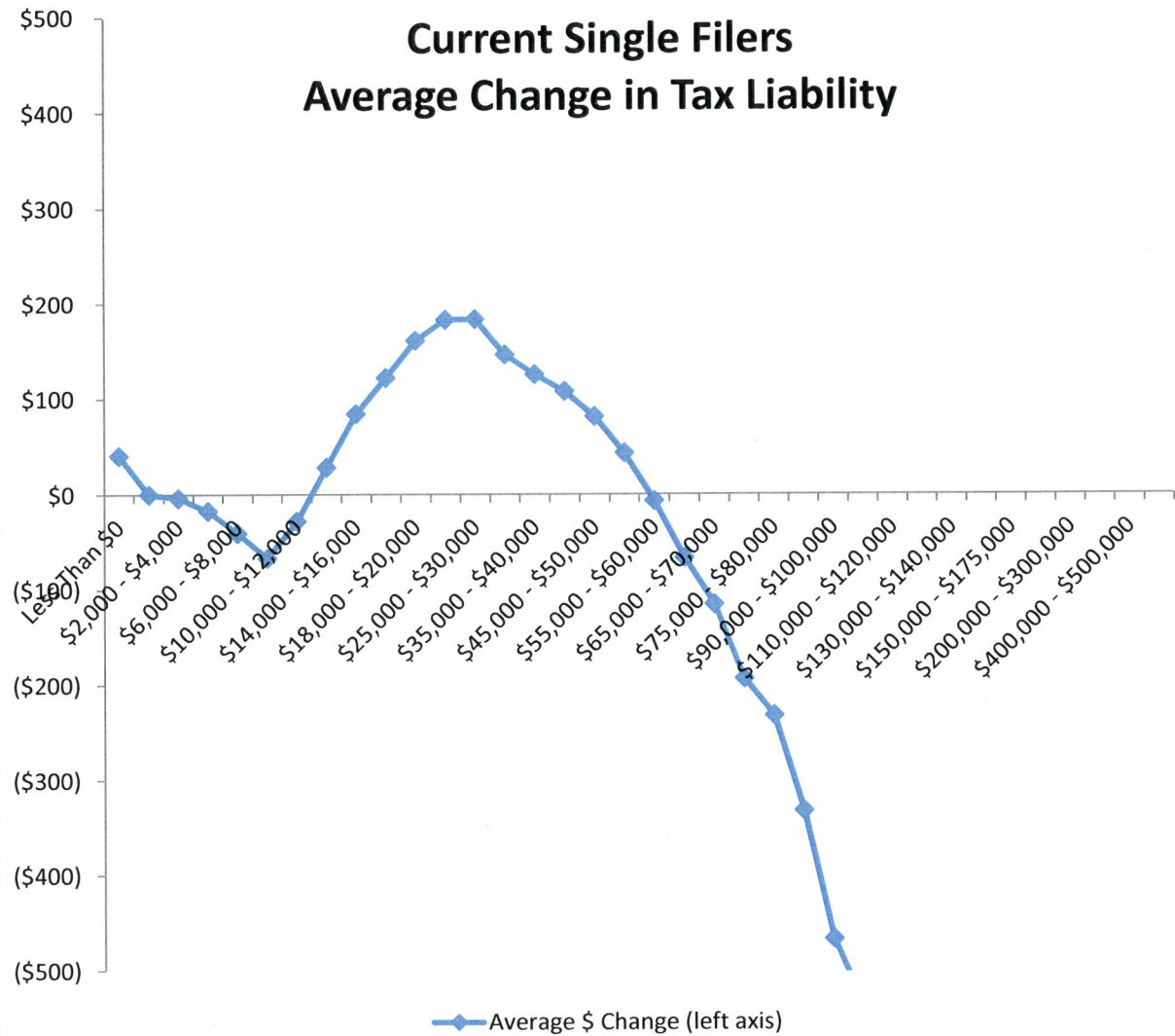


% With Increase, Decrease & No Change Current Single Filers

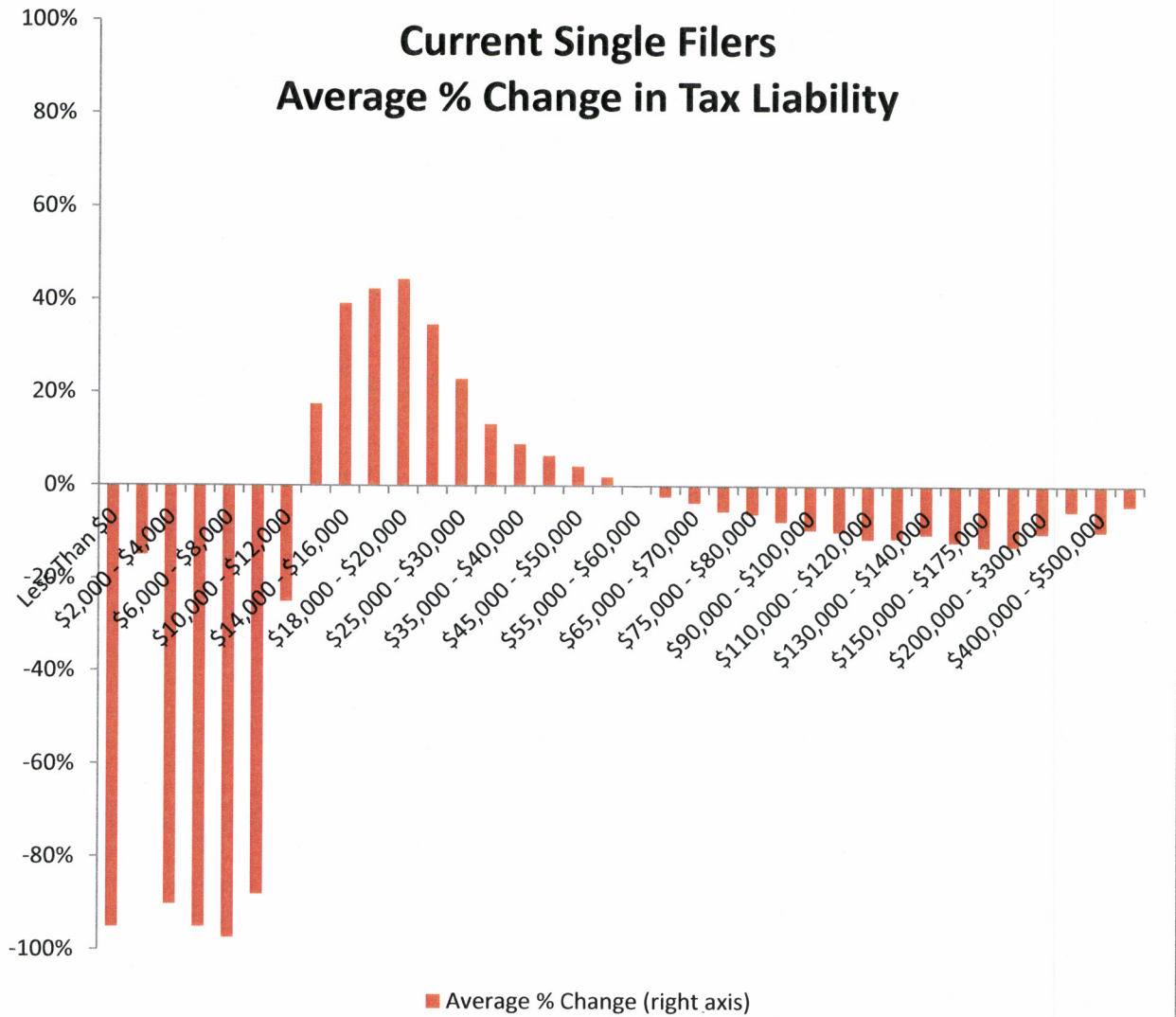




Current Single Filers Average Change in Tax Liability

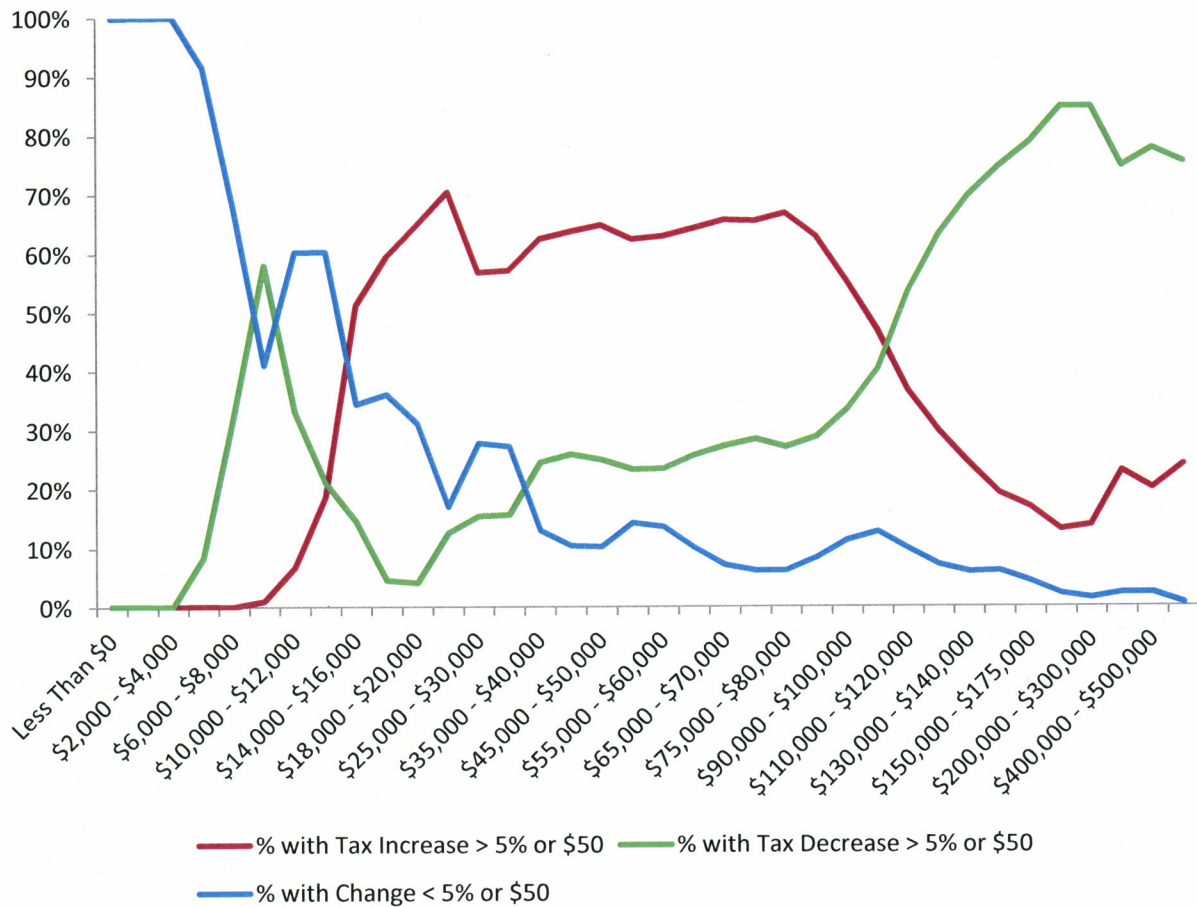


Current Single Filers Average % Change in Tax Liability

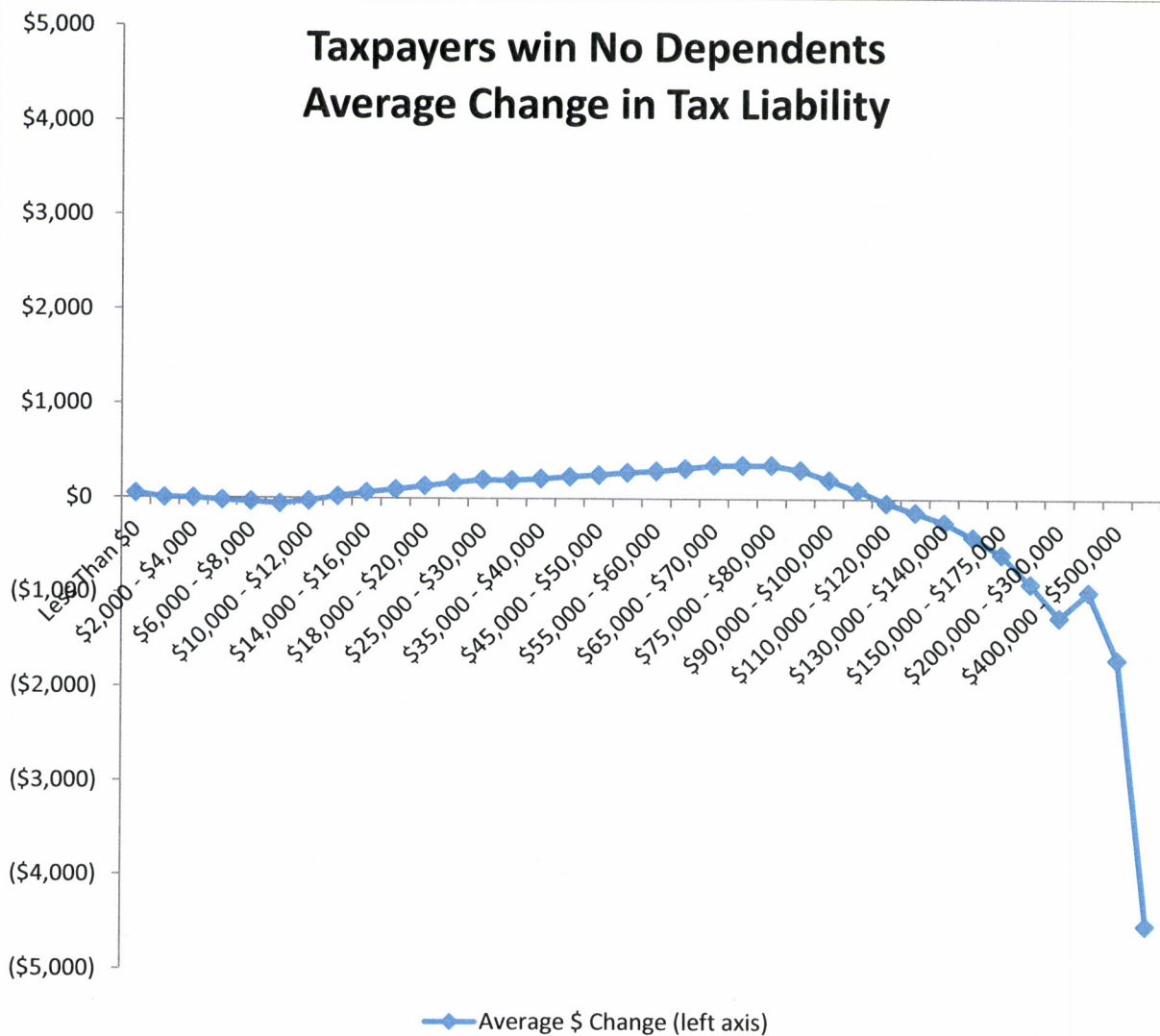


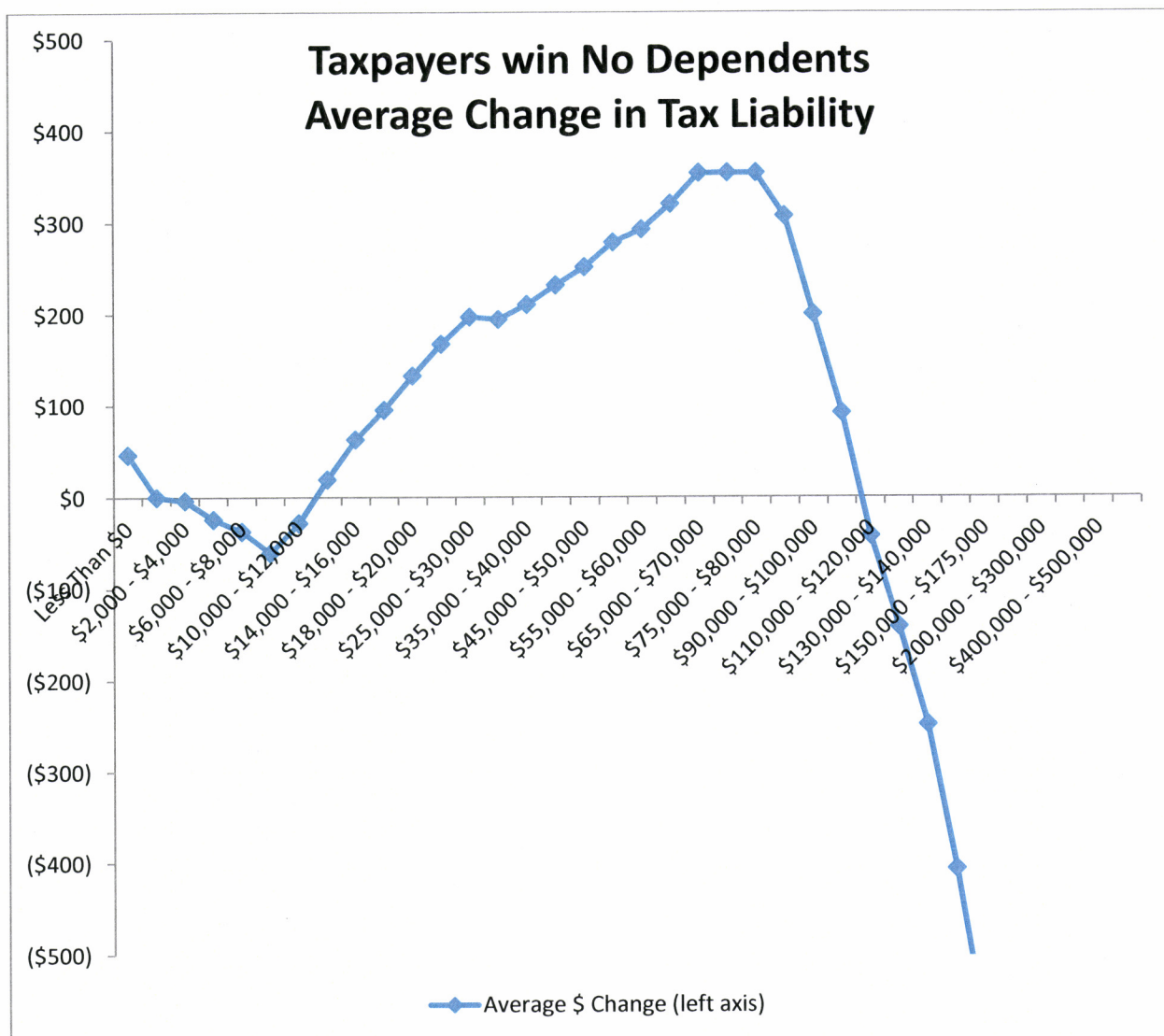
Taxpayers Grouped by Whether They Claimed Dependents

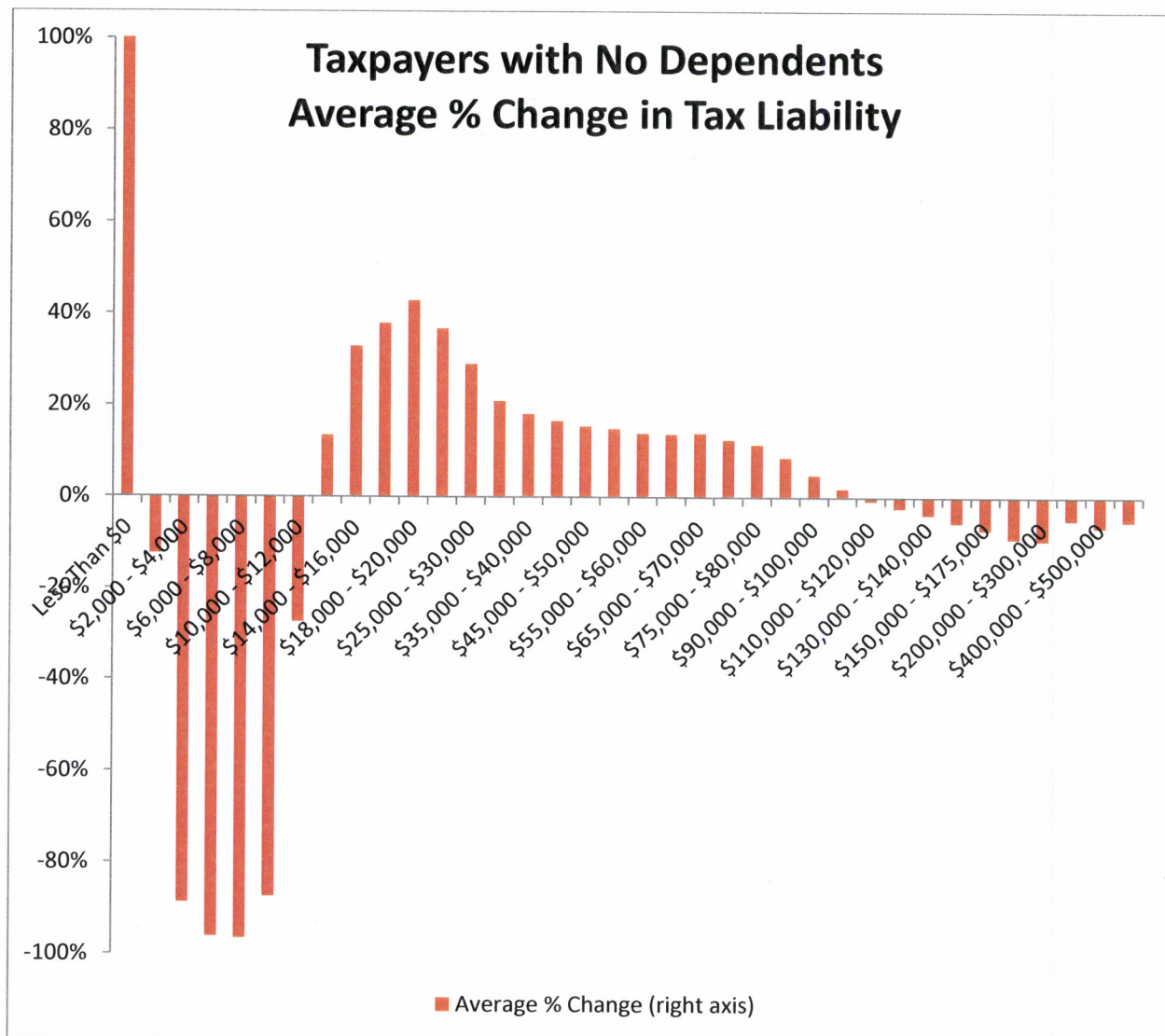
% With Increase, Decrease & No Change Taxpayers with No Dependents



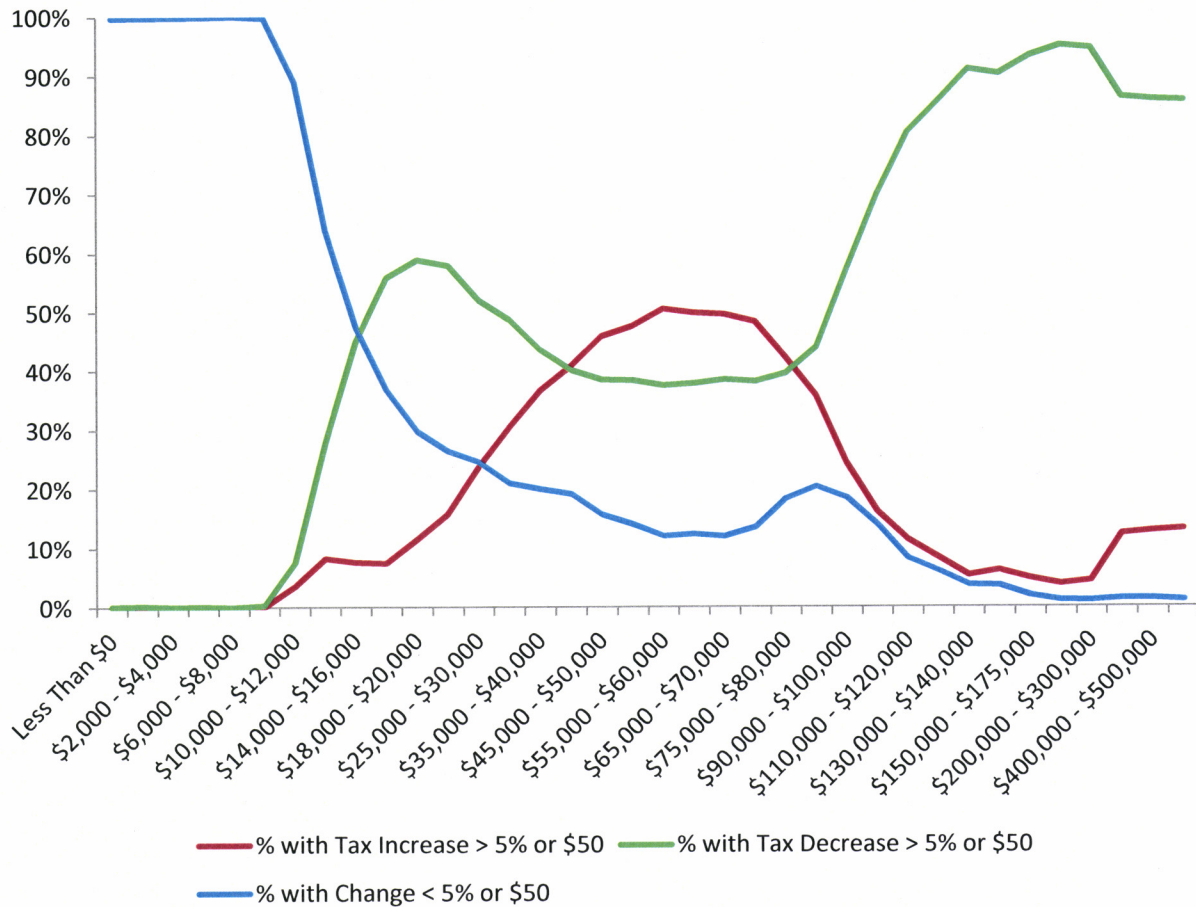
Taxpayers win No Dependents Average Change in Tax Liability



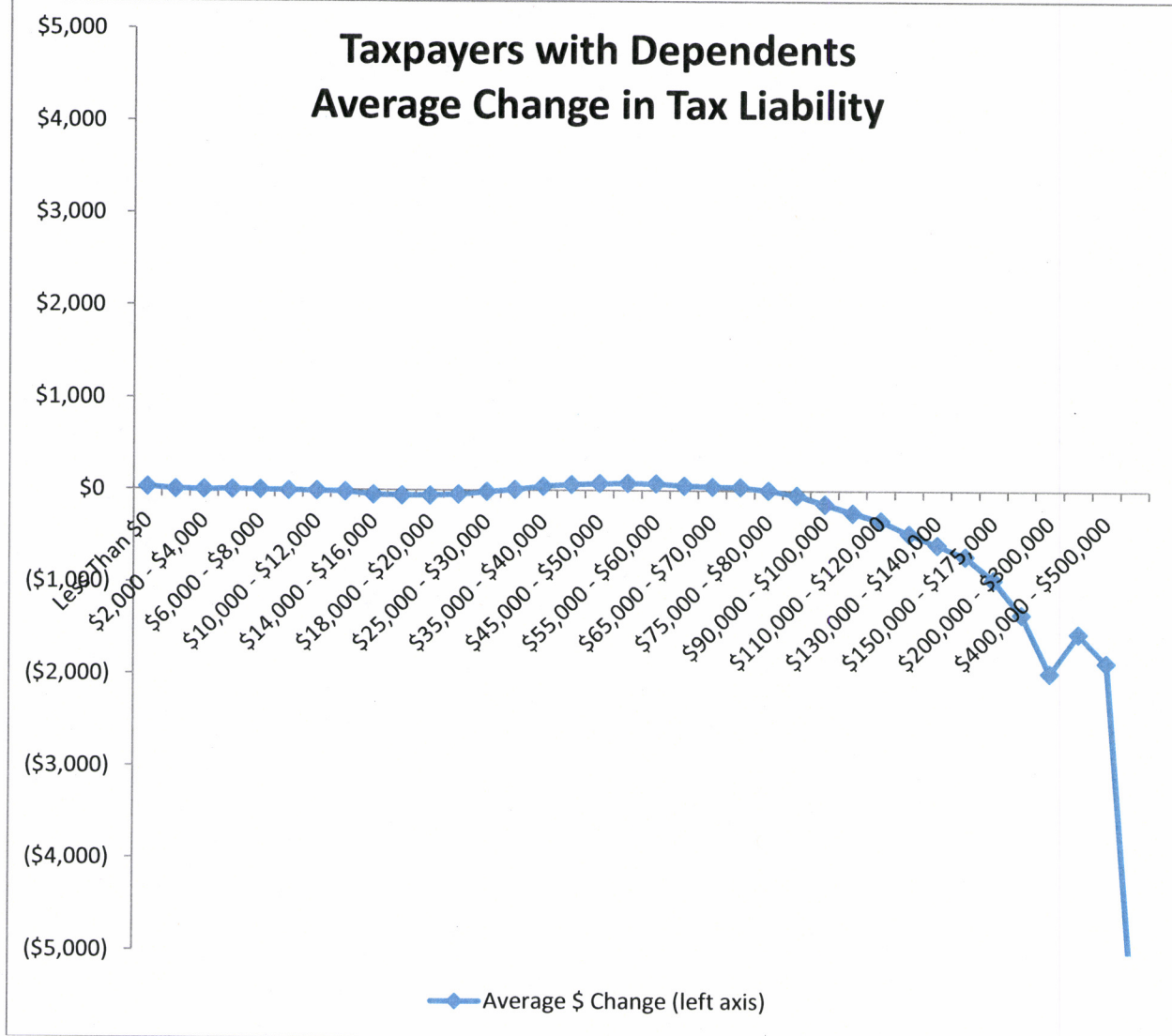




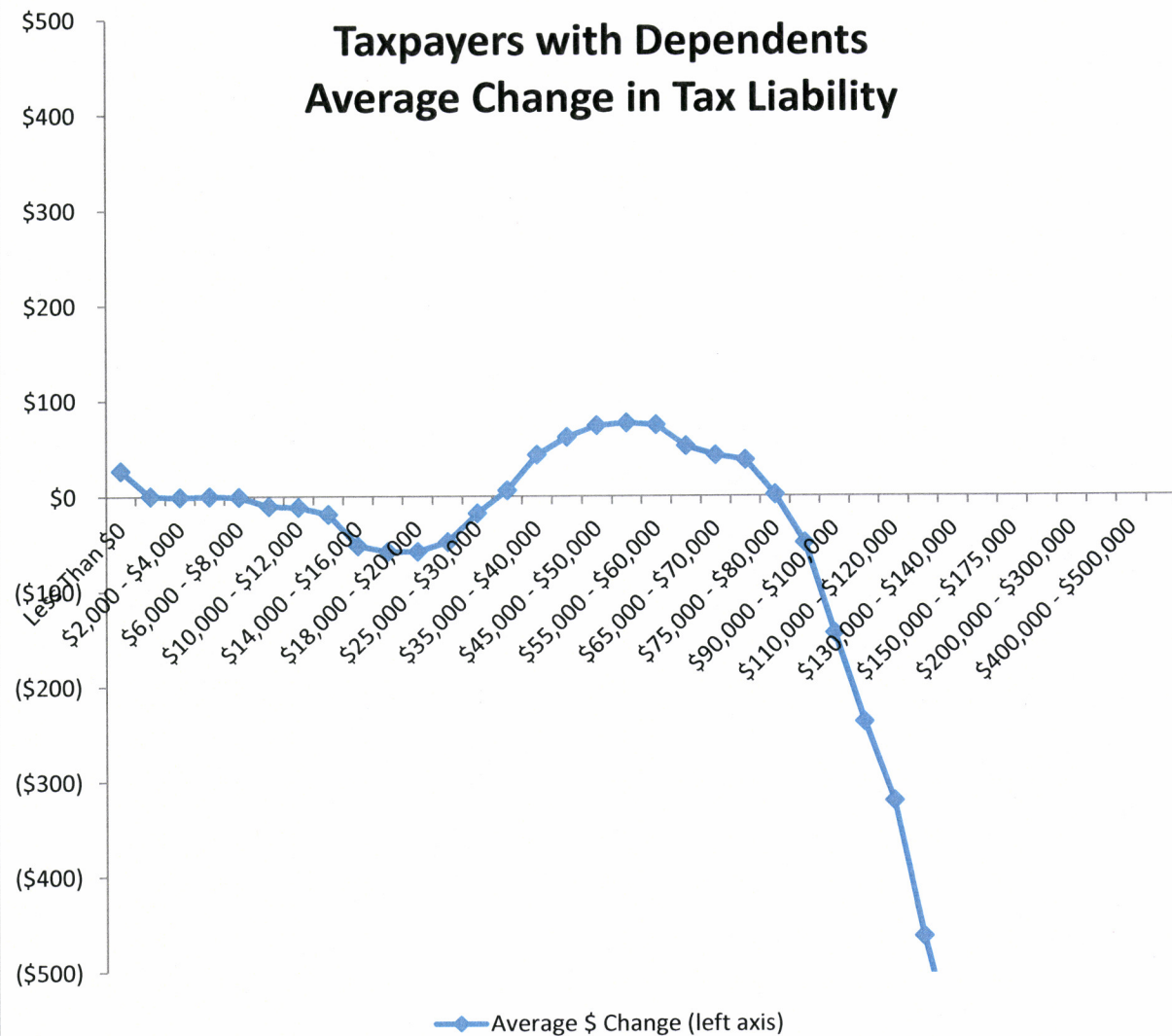
% With Increase, Decrease & No Change Taxpayers with Dependents



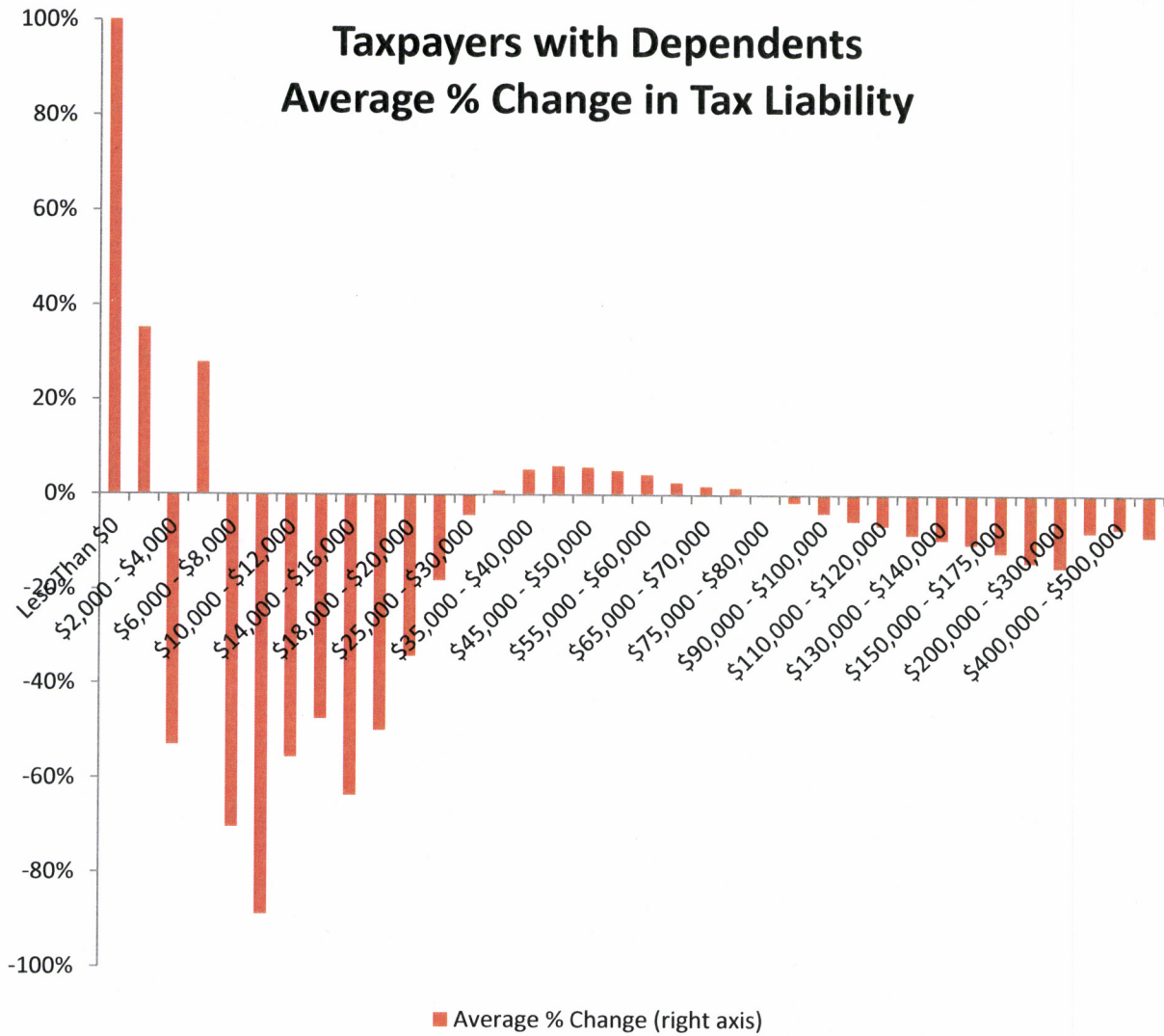
Taxpayers with Dependents Average Change in Tax Liability



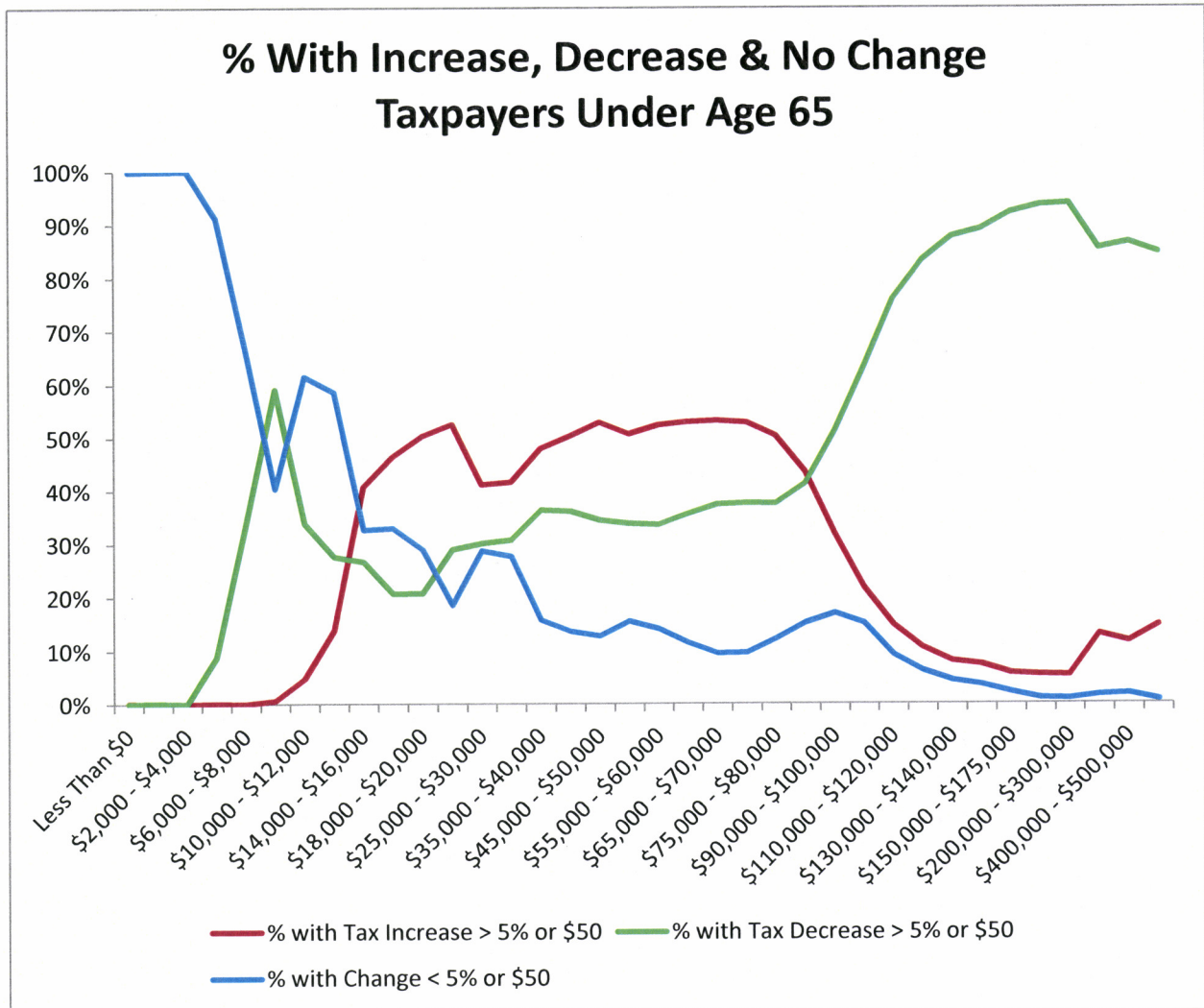
Taxpayers with Dependents Average Change in Tax Liability



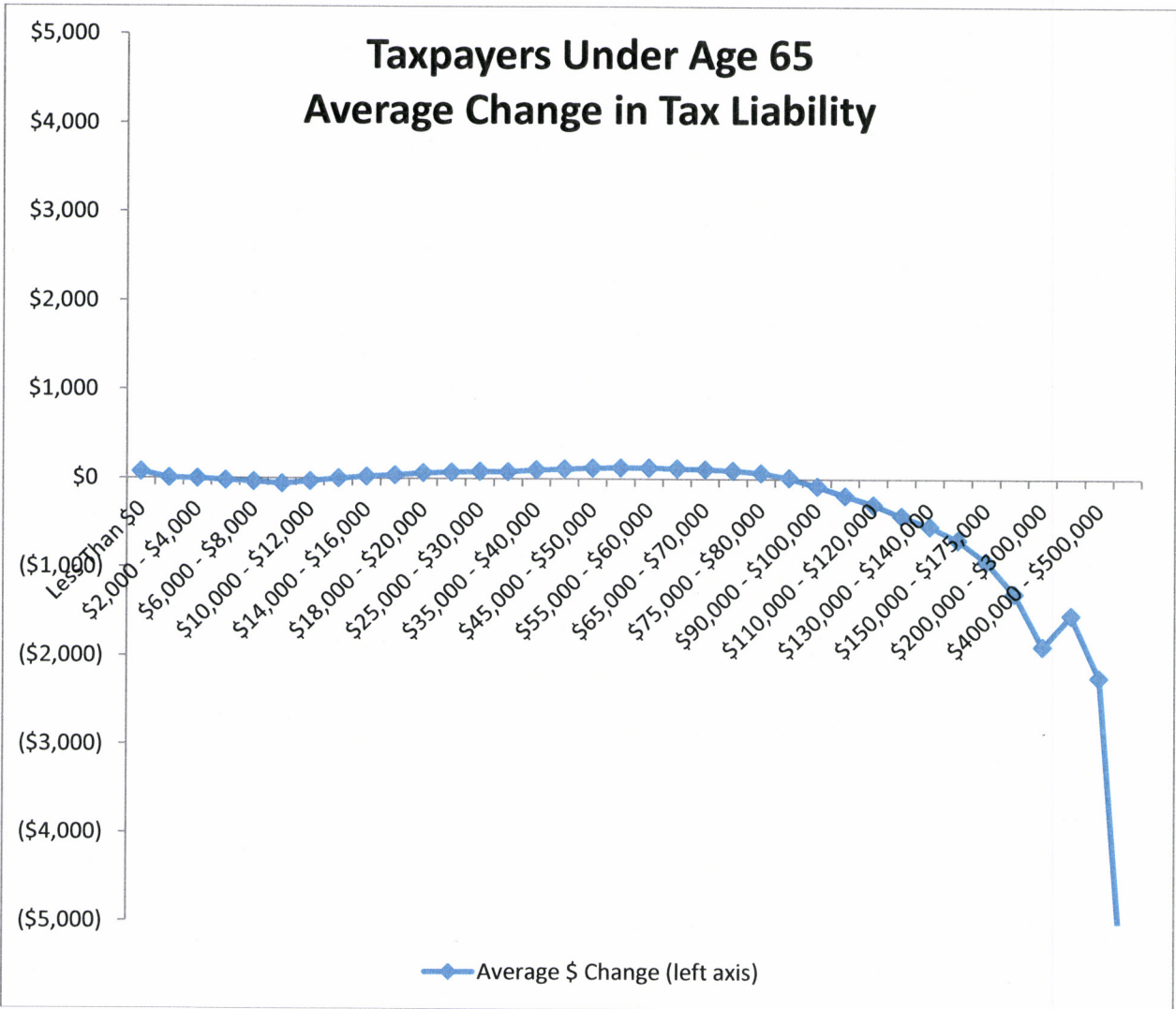
Taxpayers with Dependents Average % Change in Tax Liability



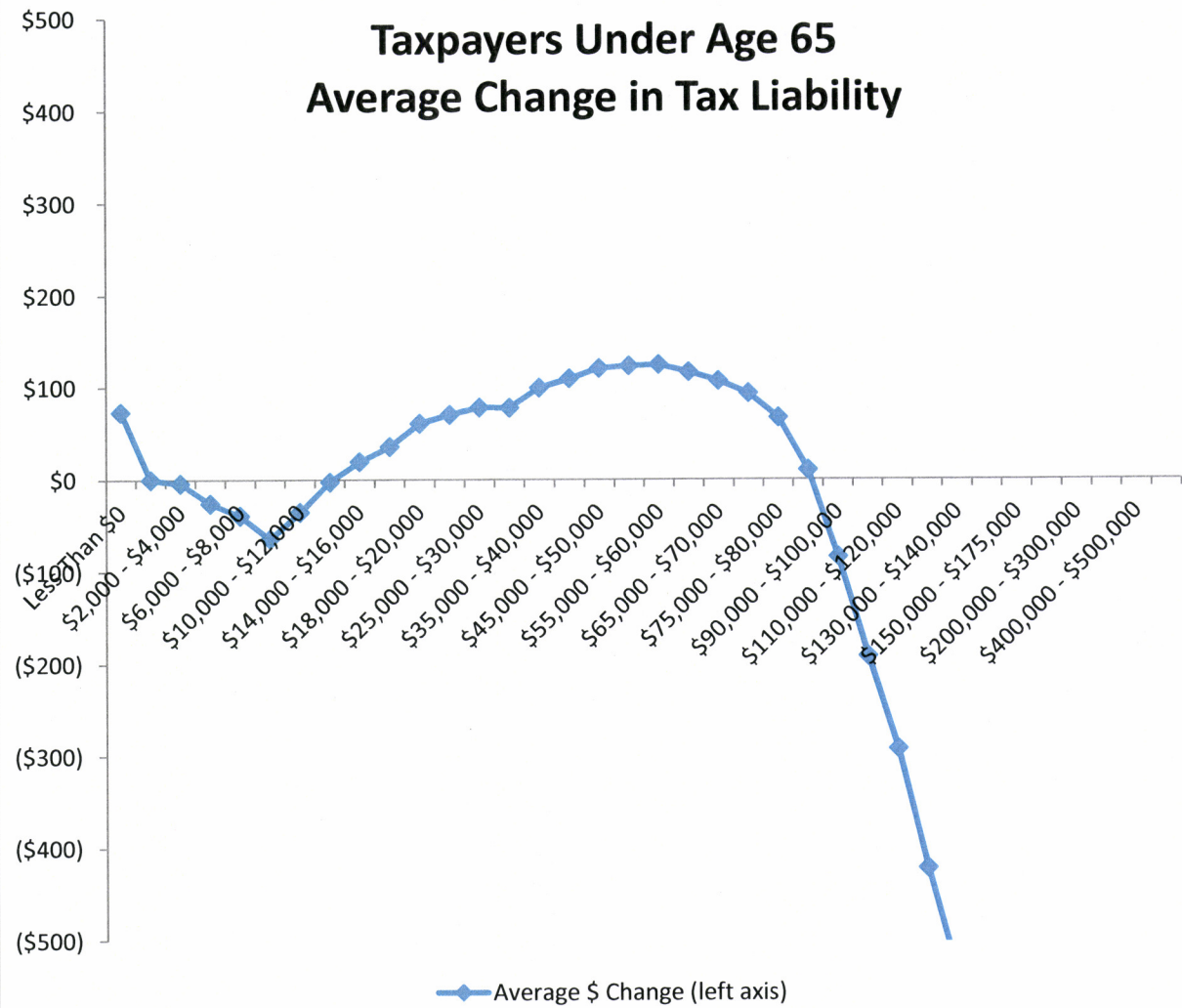
Taxpayers Grouped by Whether Age 65 and Older



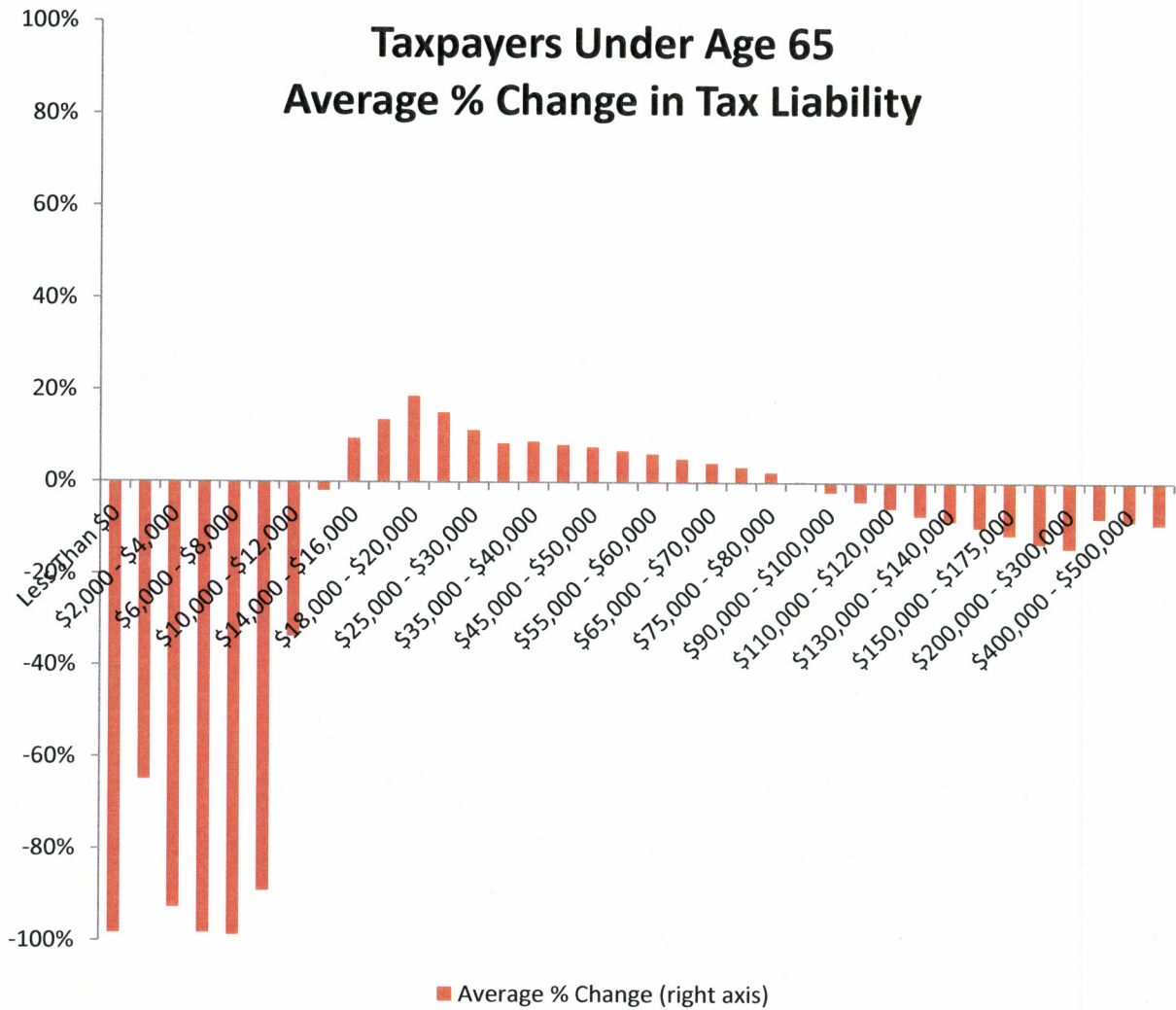
Taxpayers Under Age 65 Average Change in Tax Liability



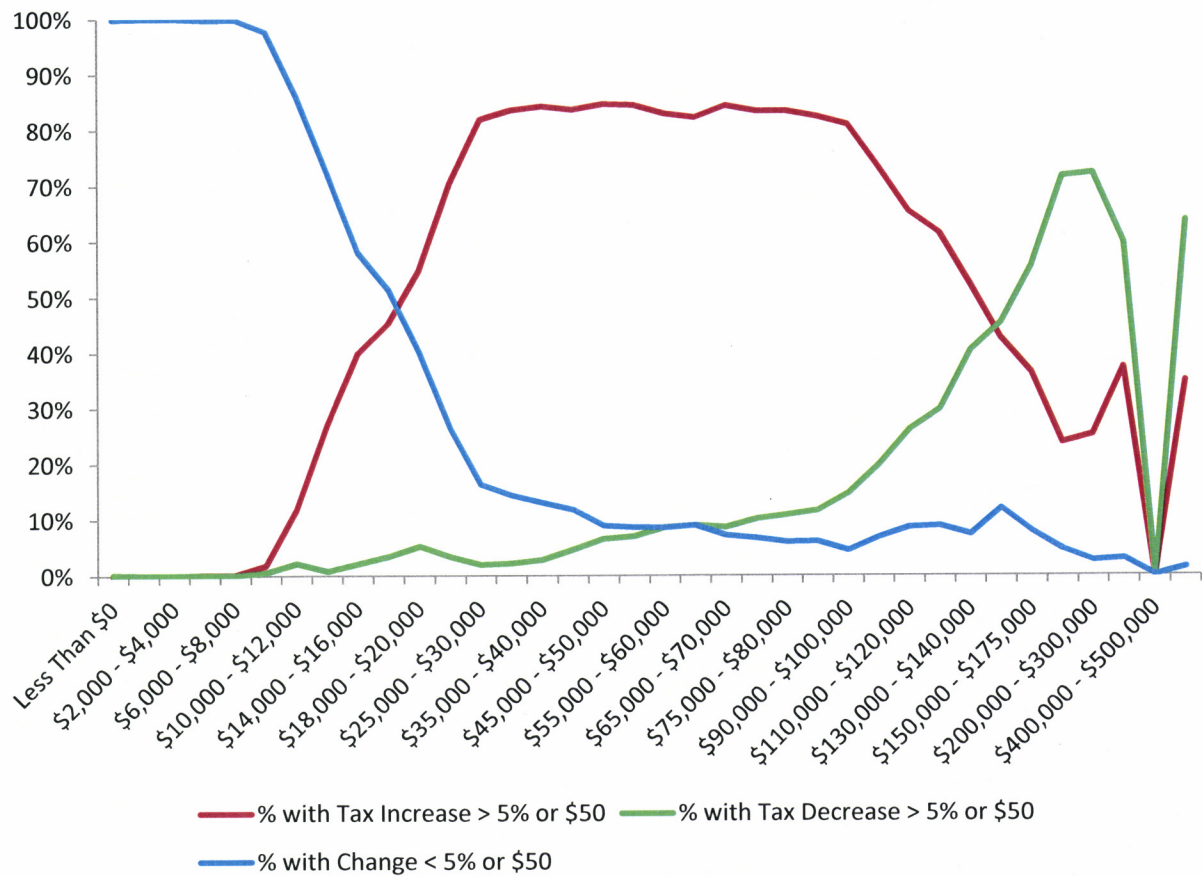
Taxpayers Under Age 65 Average Change in Tax Liability



Taxpayers Under Age 65 Average % Change in Tax Liability

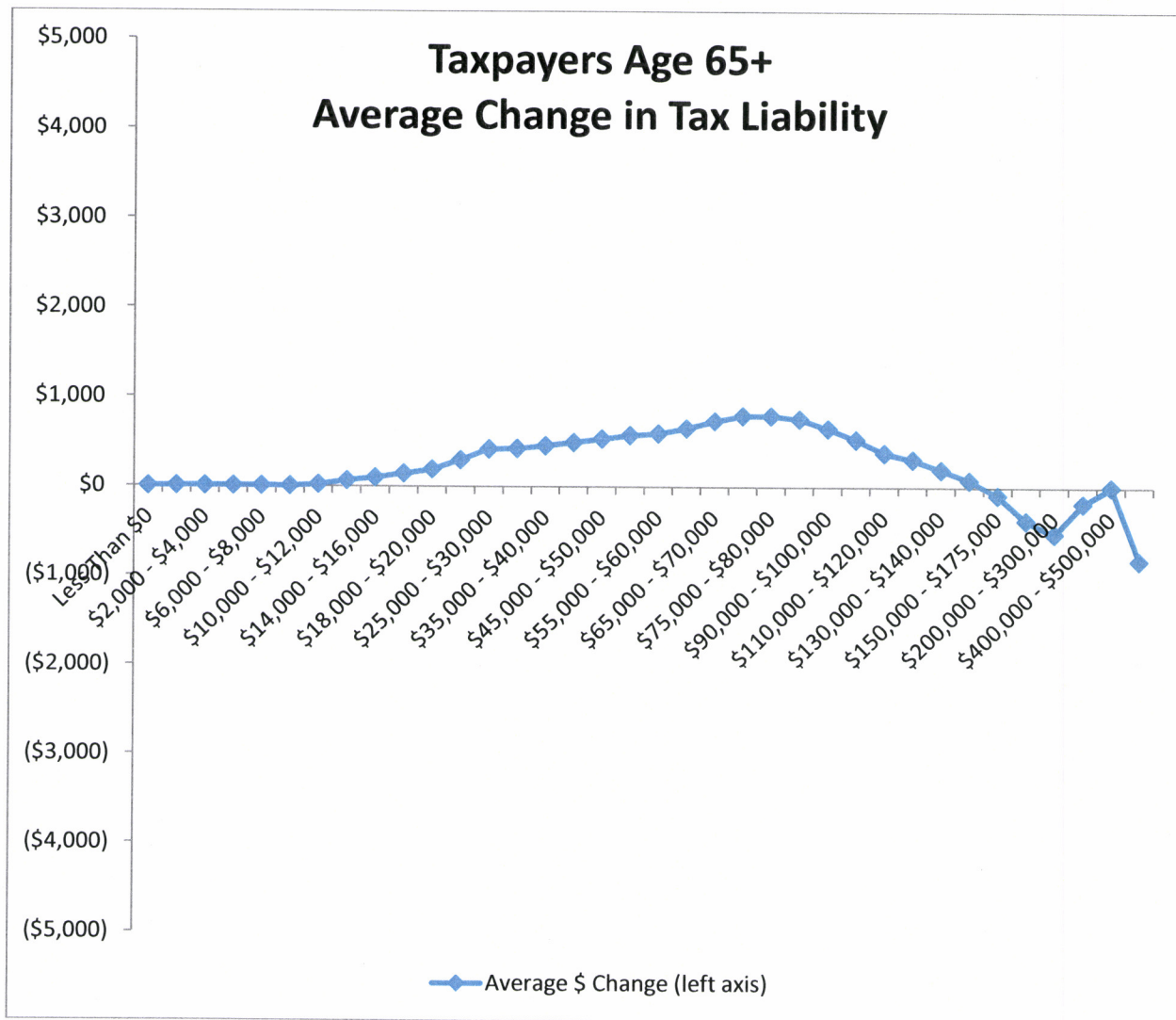


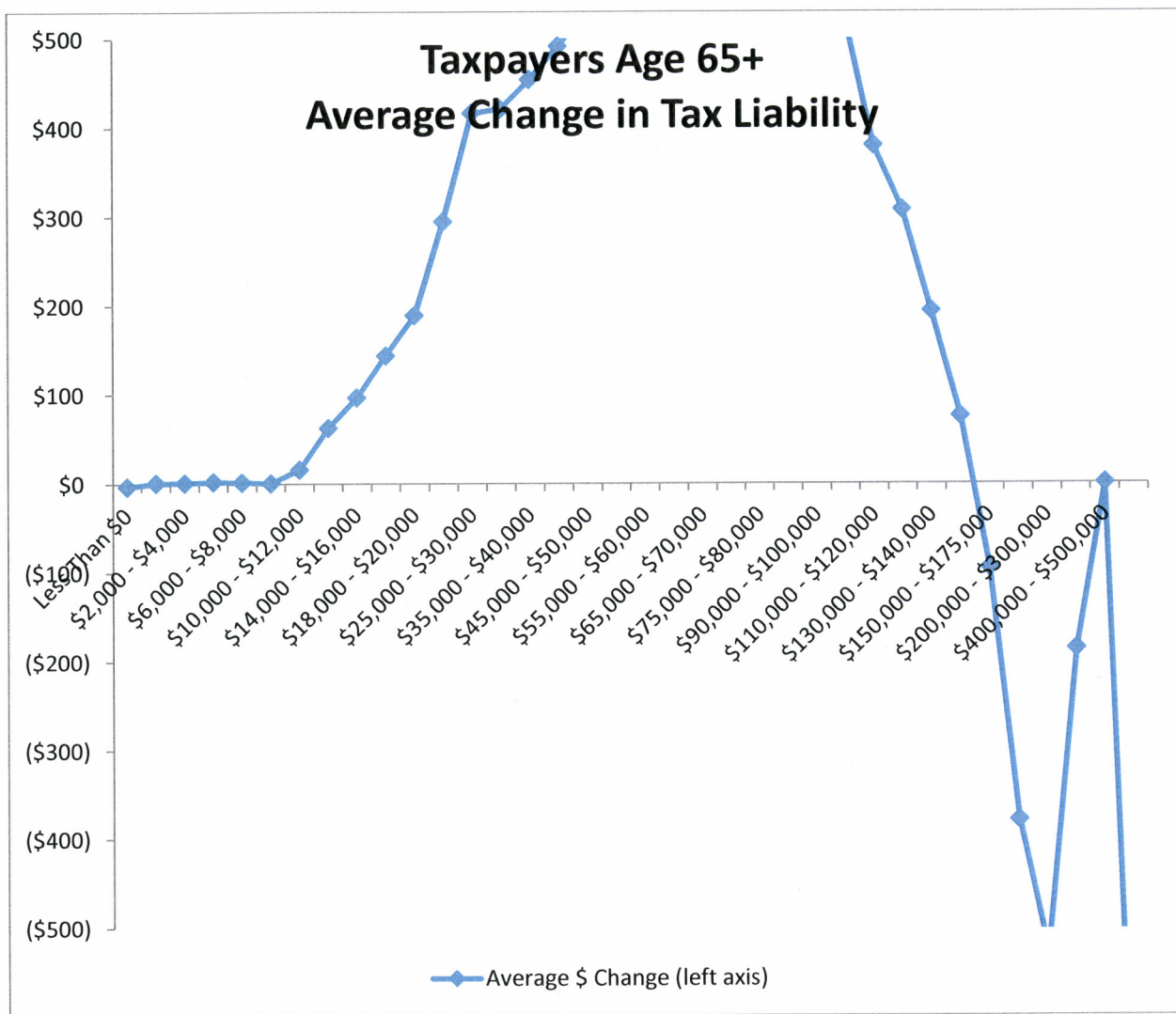
% With Increase, Decrease & No Change Taxpayers Age 65+

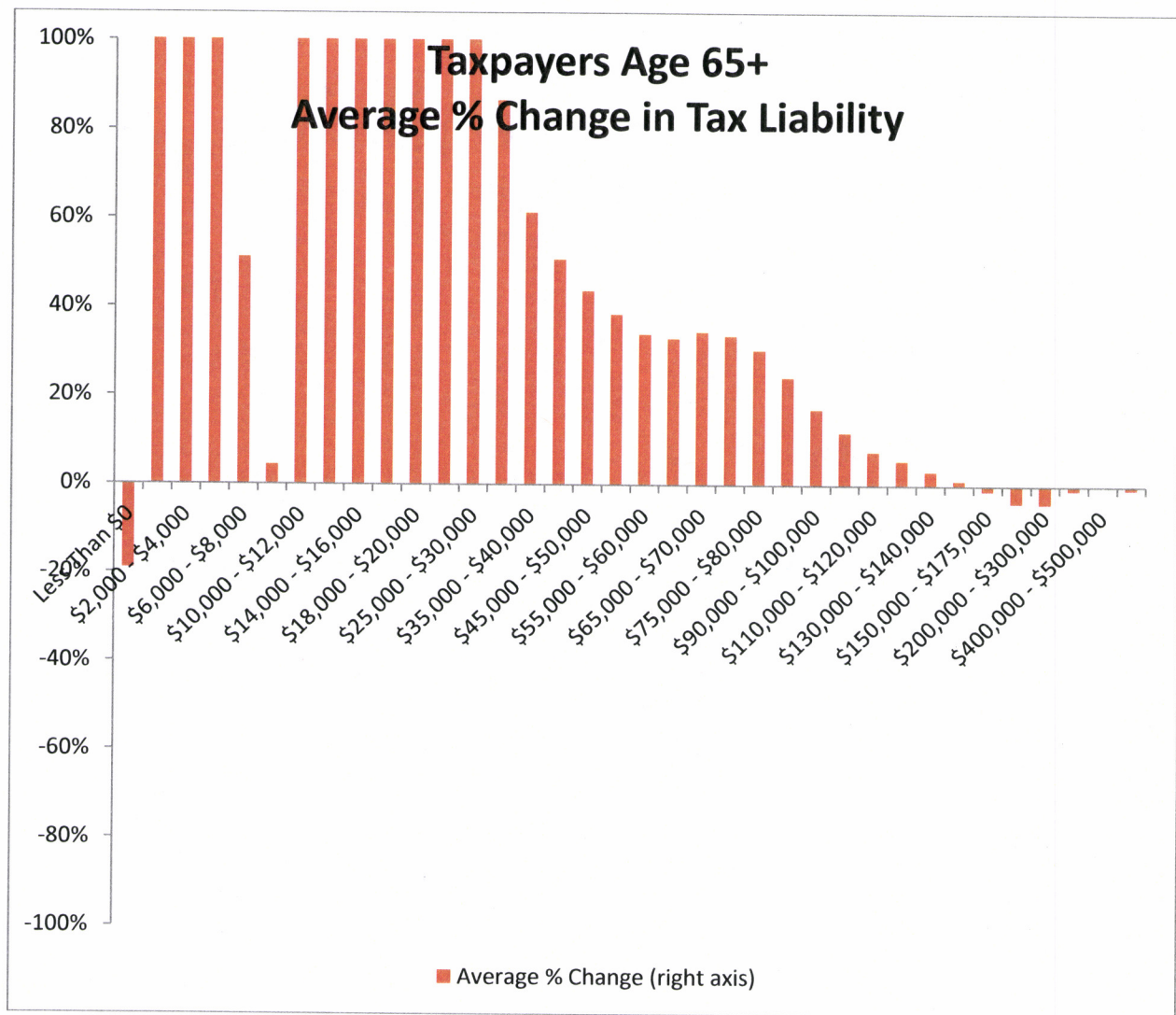


Taxpayers Age 65+

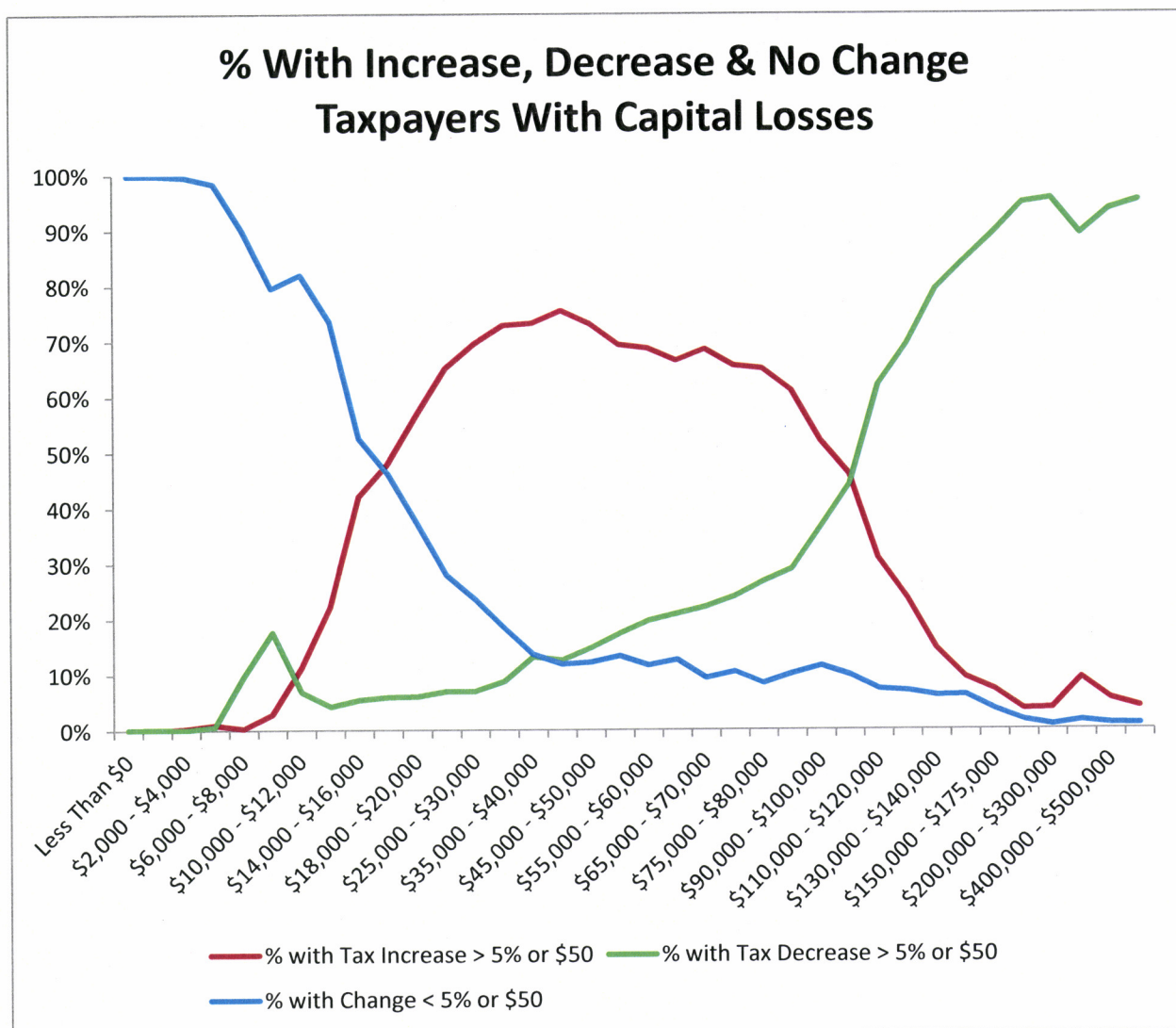
Average Change in Tax Liability



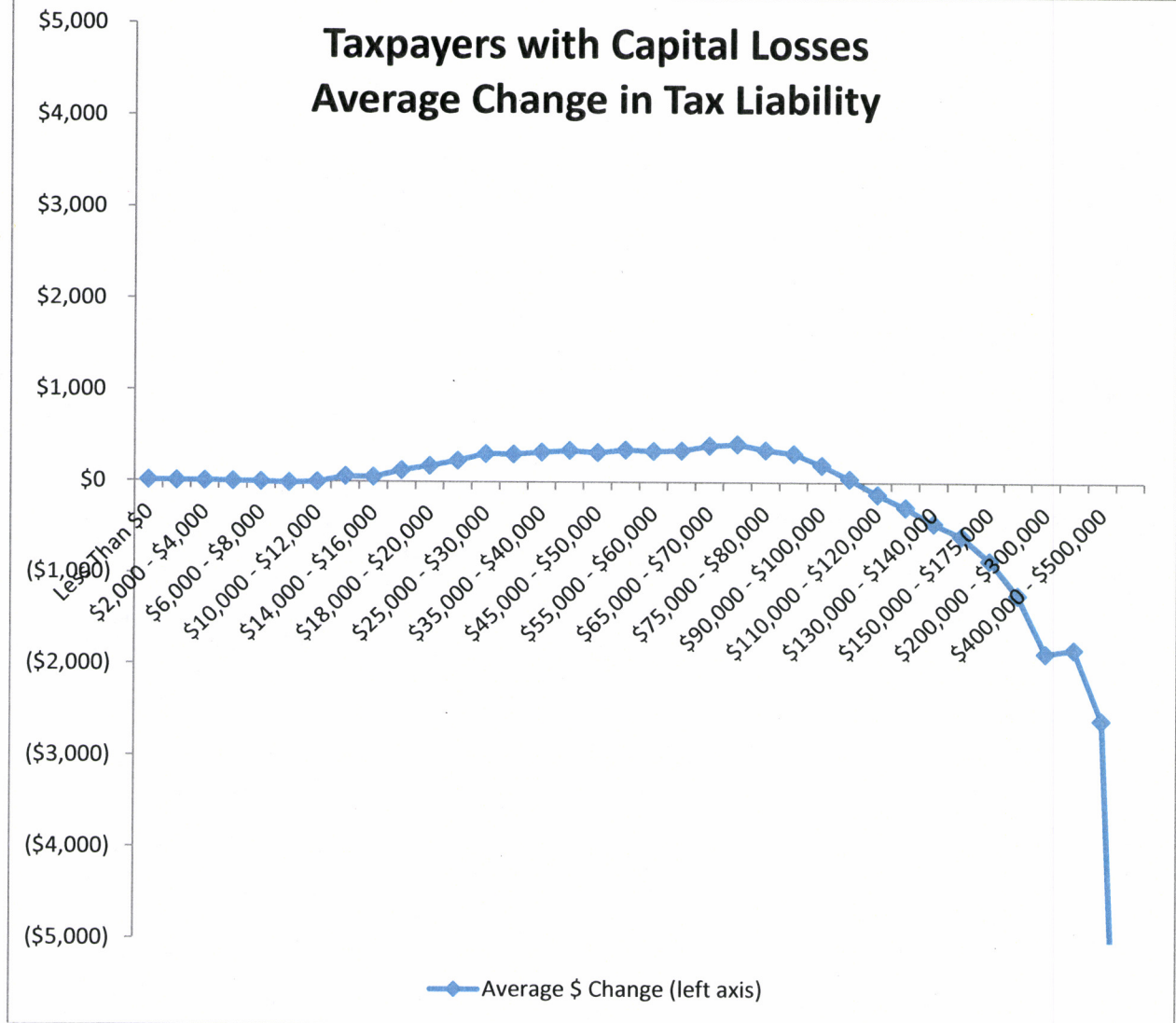


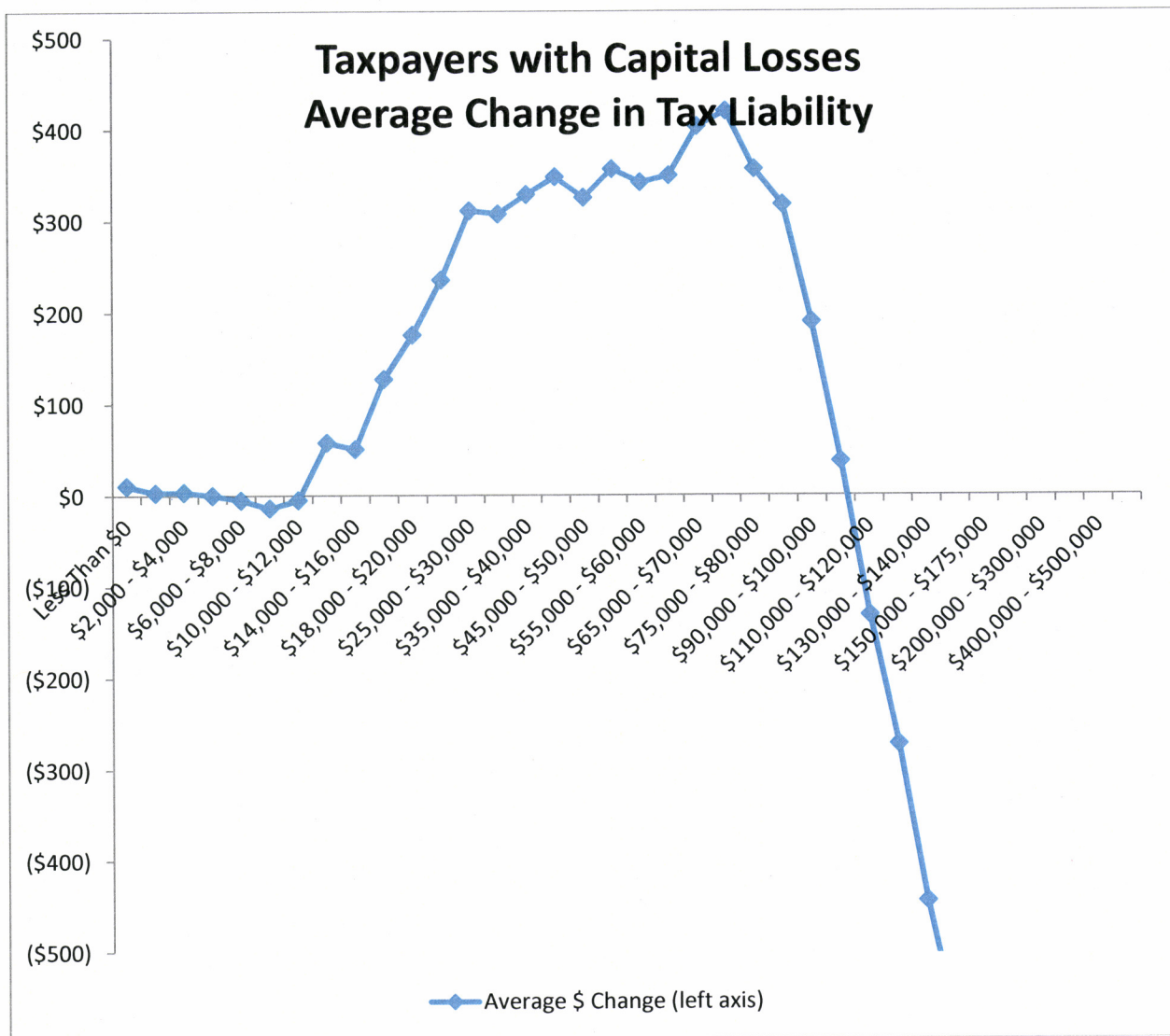


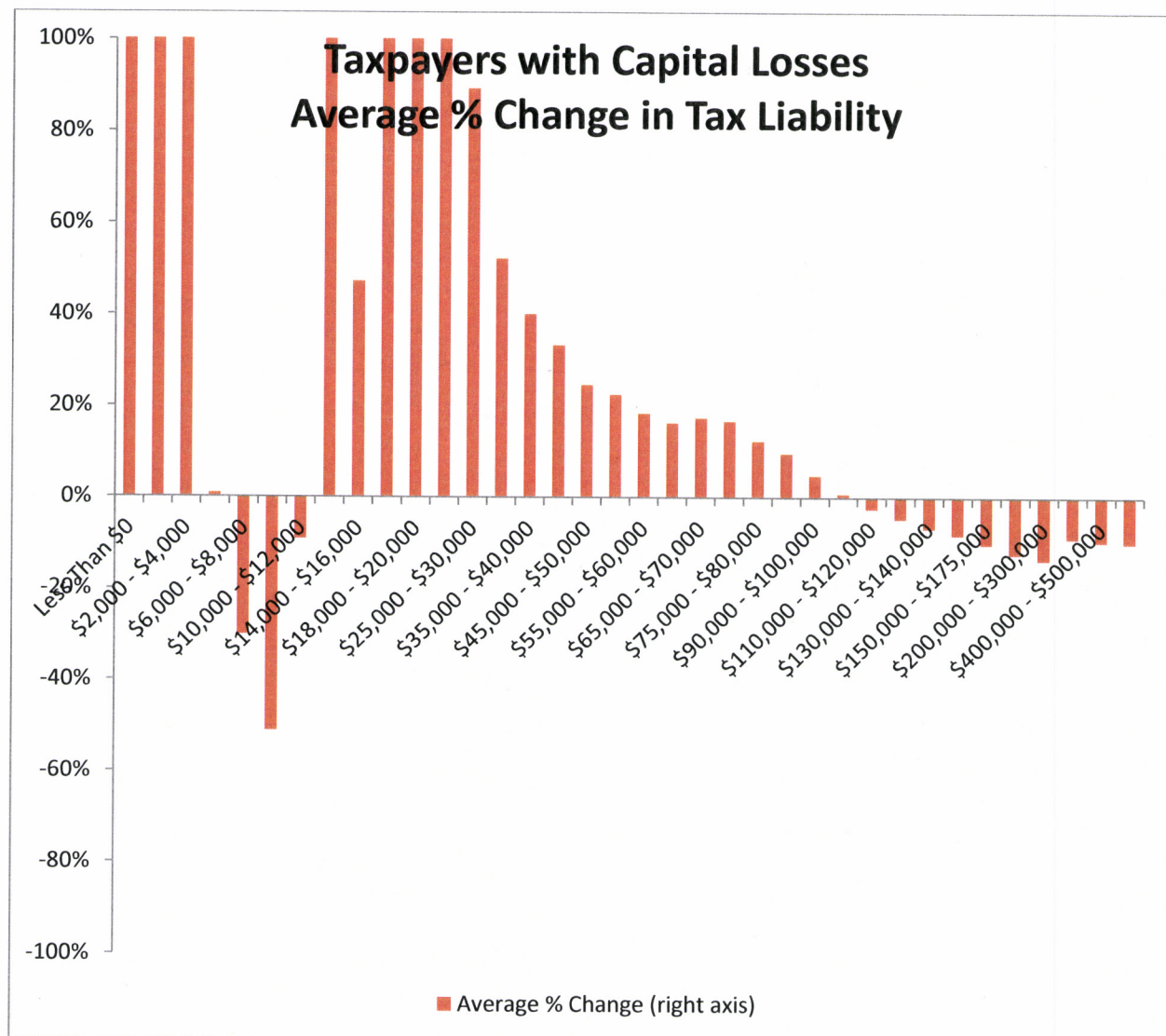
Taxpayers Grouped by Whether Have Capital Gains, Losses, or Neither



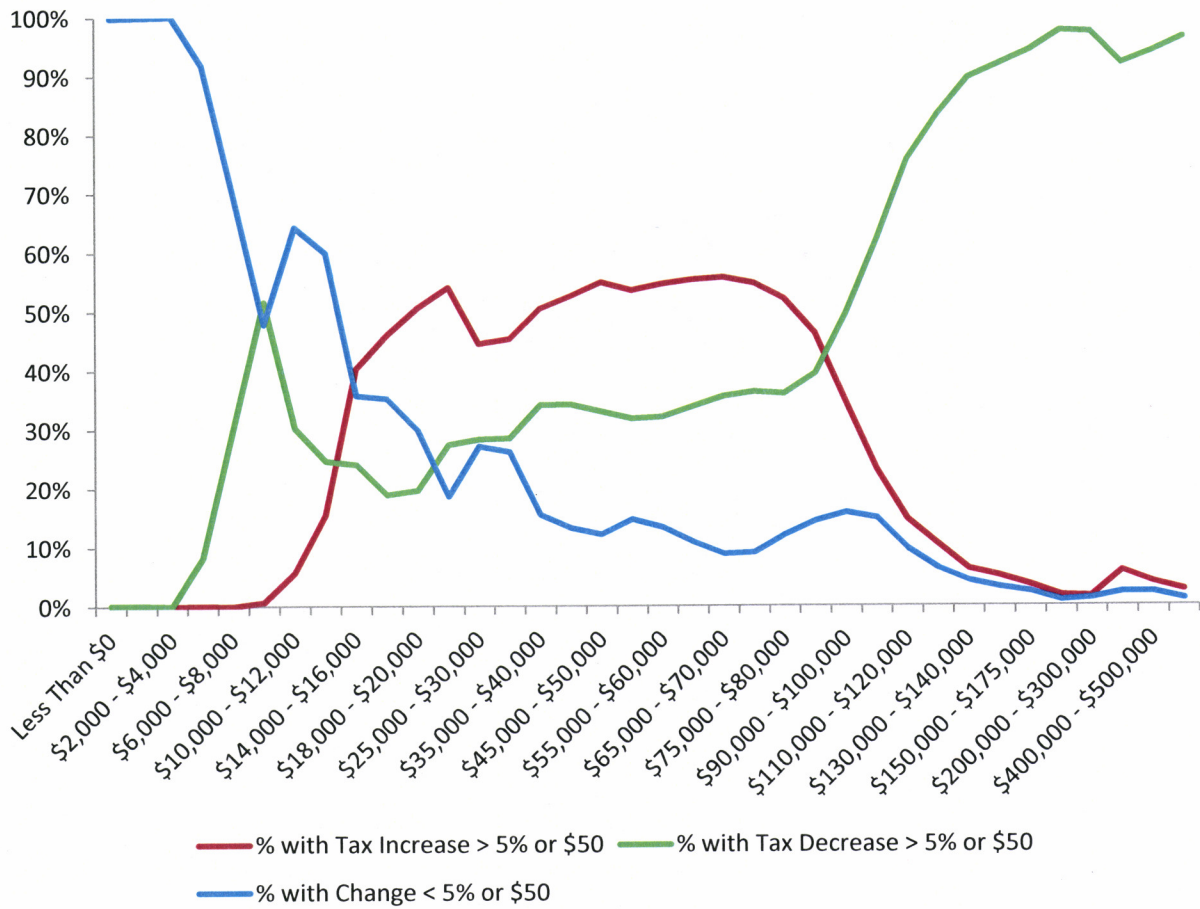
Taxpayers with Capital Losses Average Change in Tax Liability



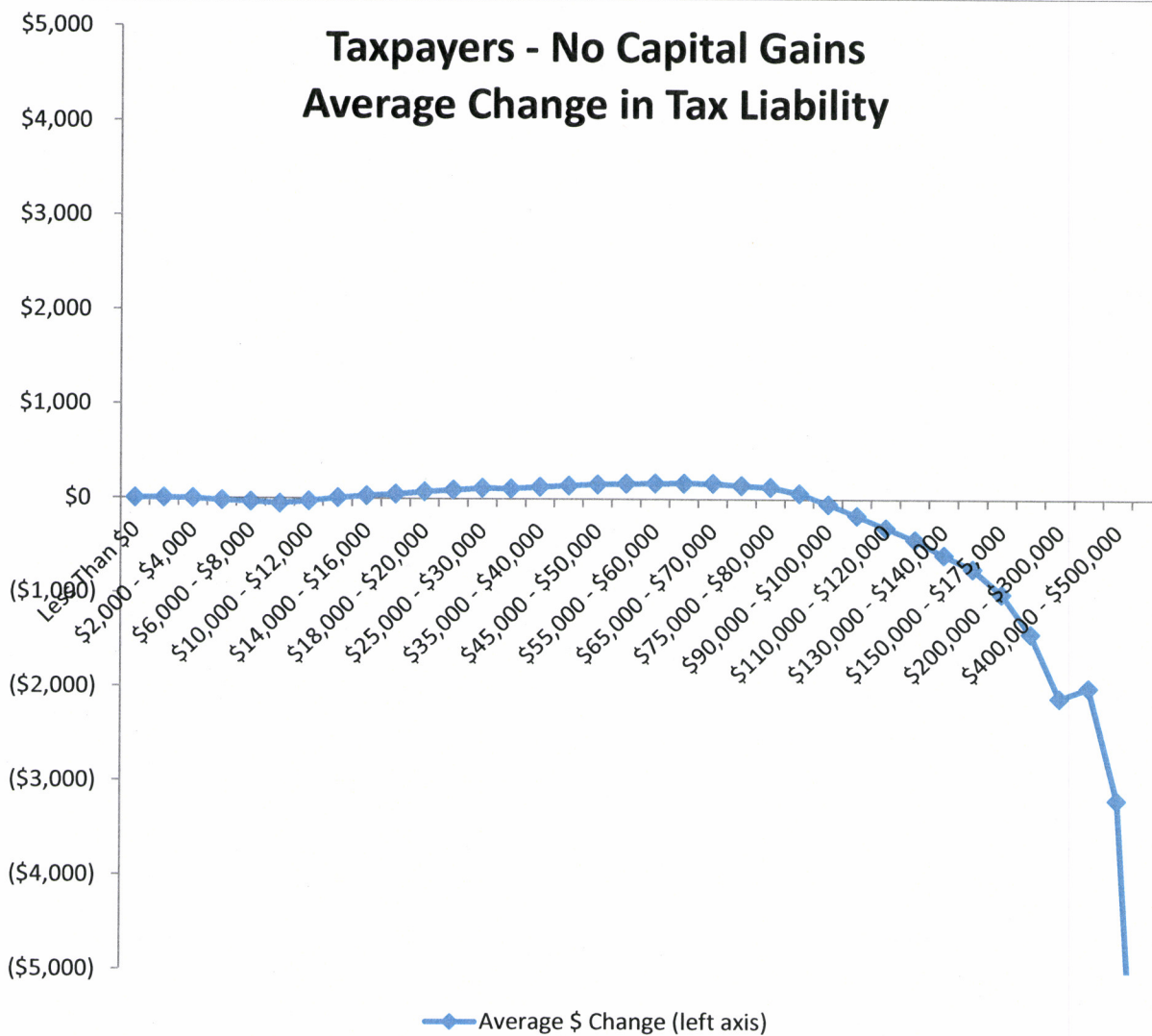




% With Increase, Decrease & No Change Taxpayers - No Capital Gains

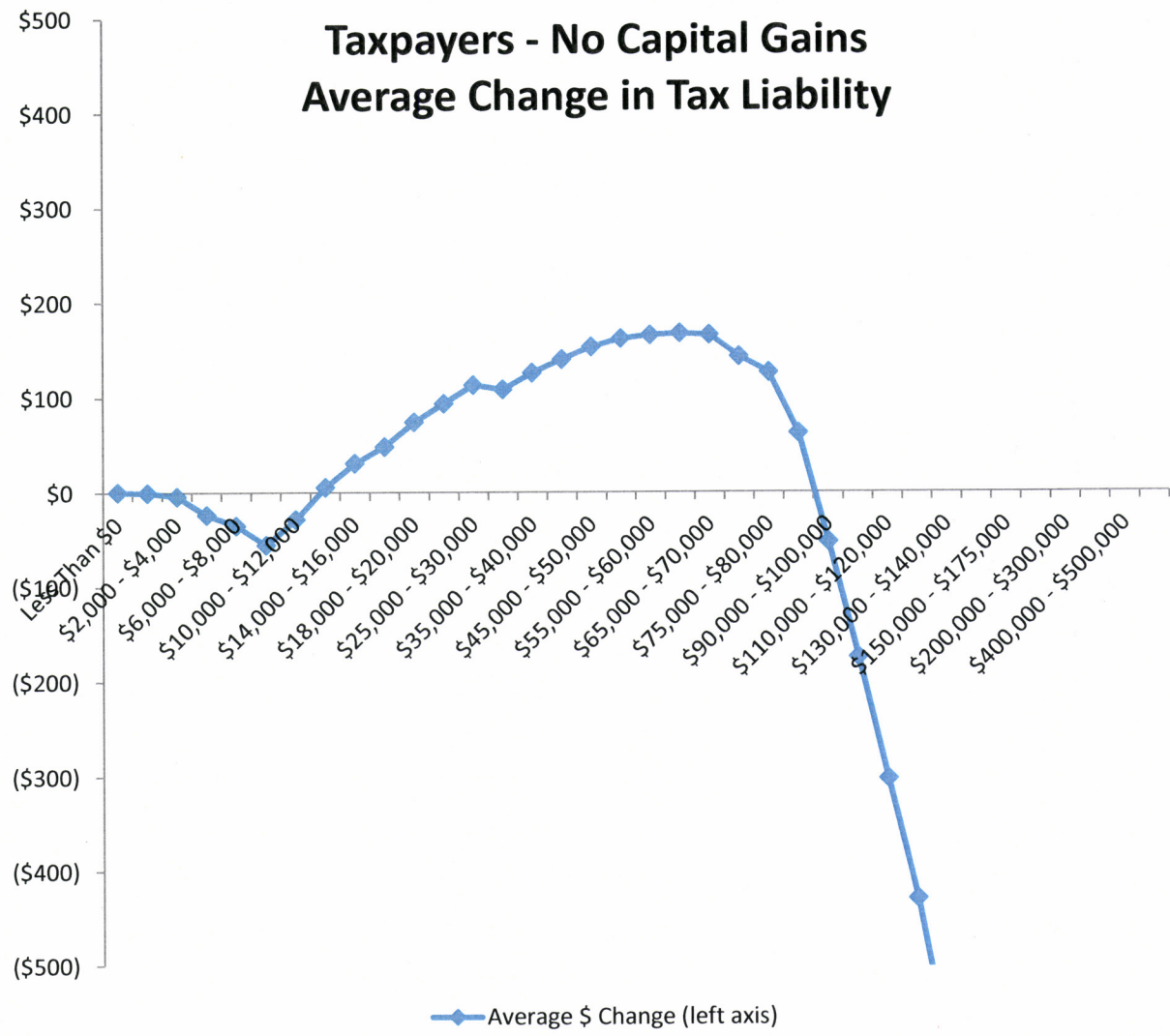


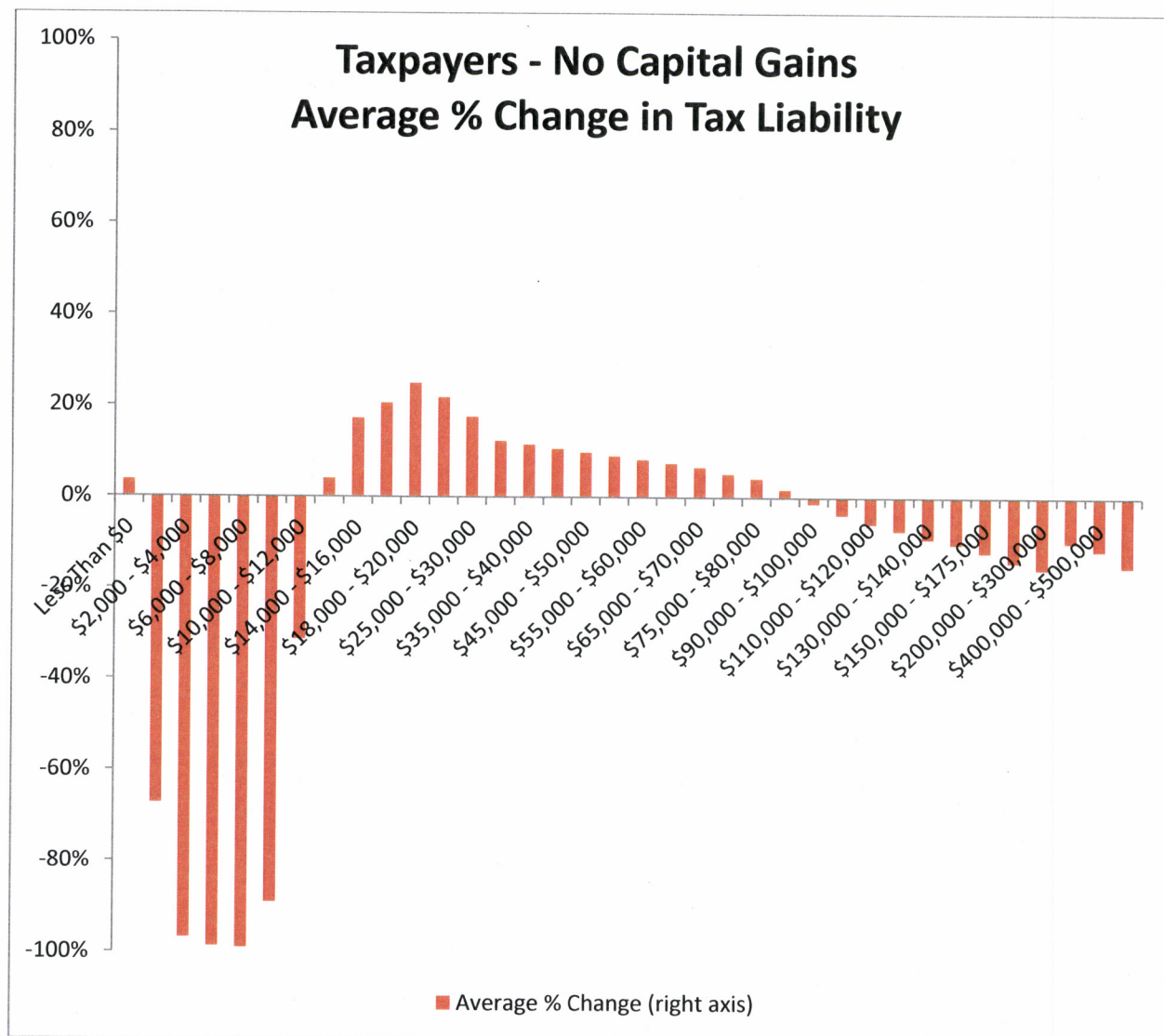
Taxpayers - No Capital Gains Average Change in Tax Liability



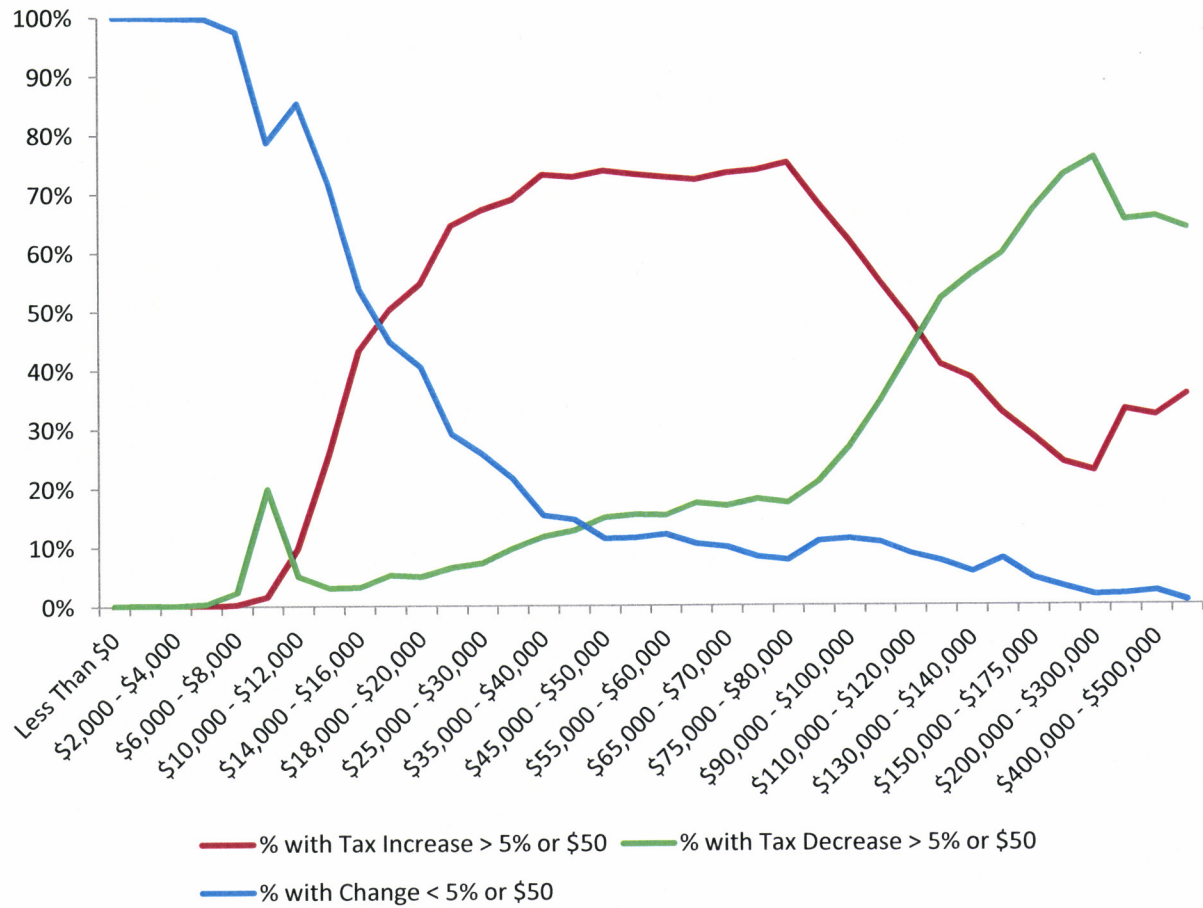
Taxpayers - No Capital Gains

Average Change in Tax Liability

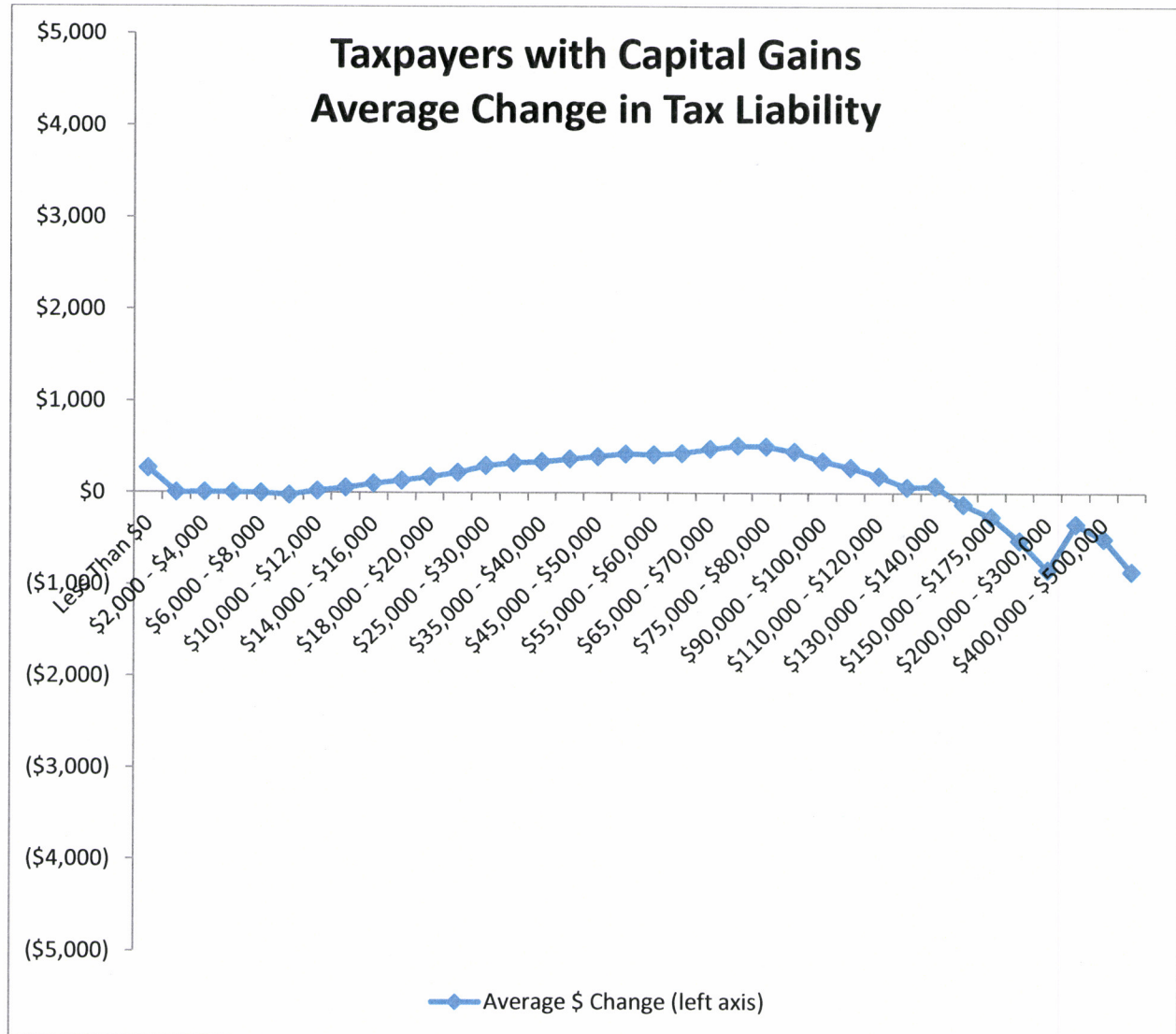


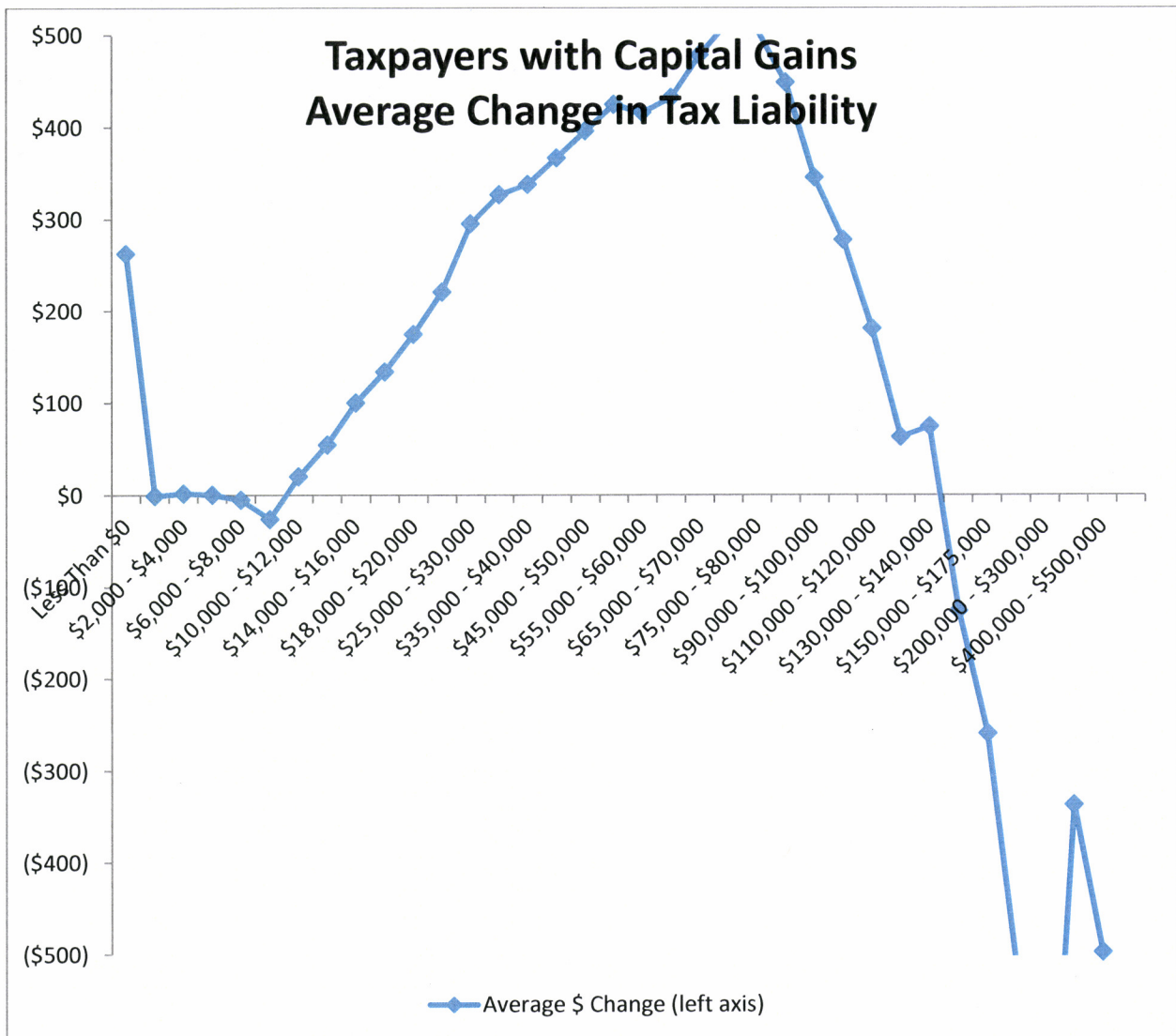


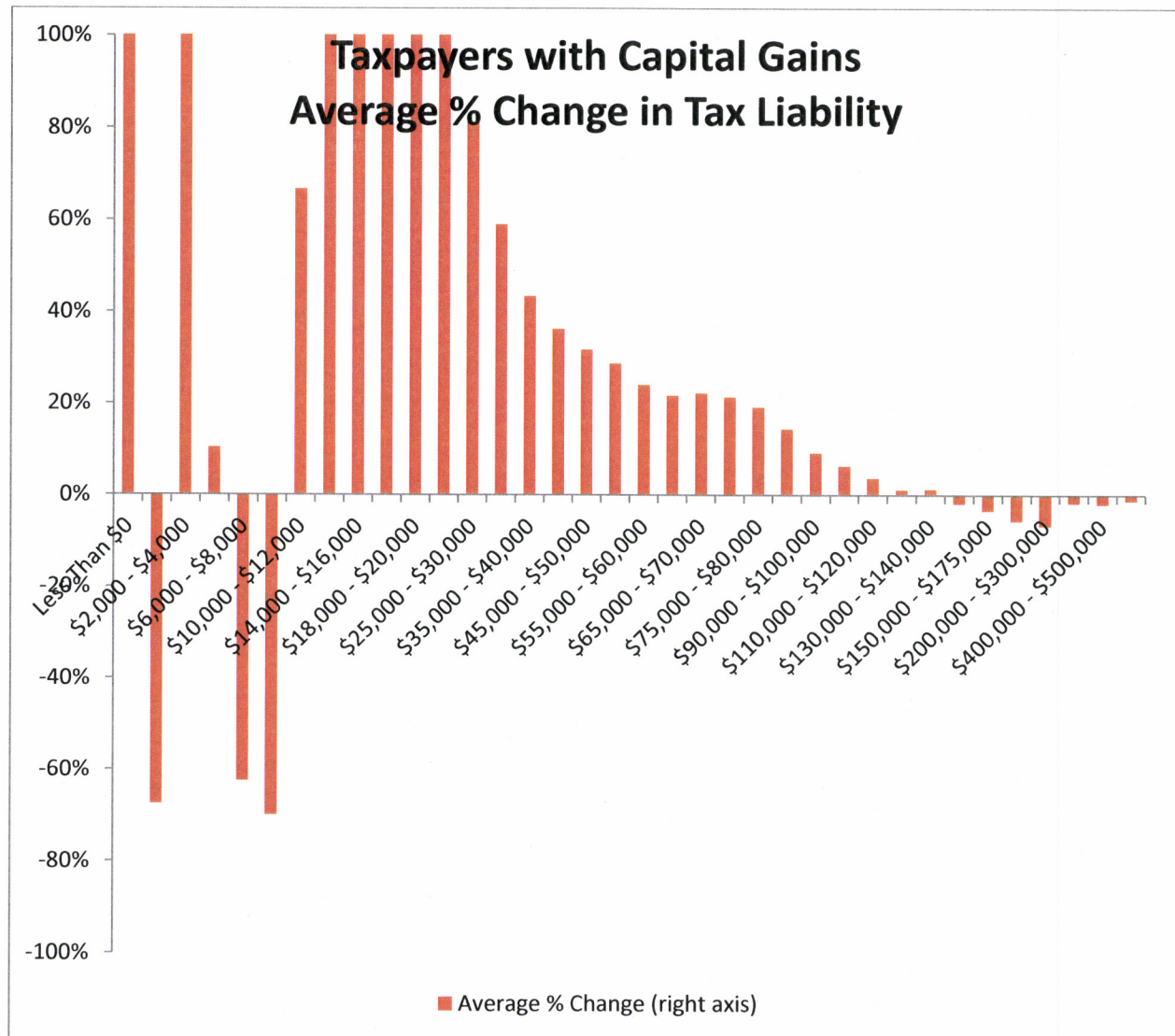
% With Increase, Decrease & No Change Taxpayers with Capital Gains



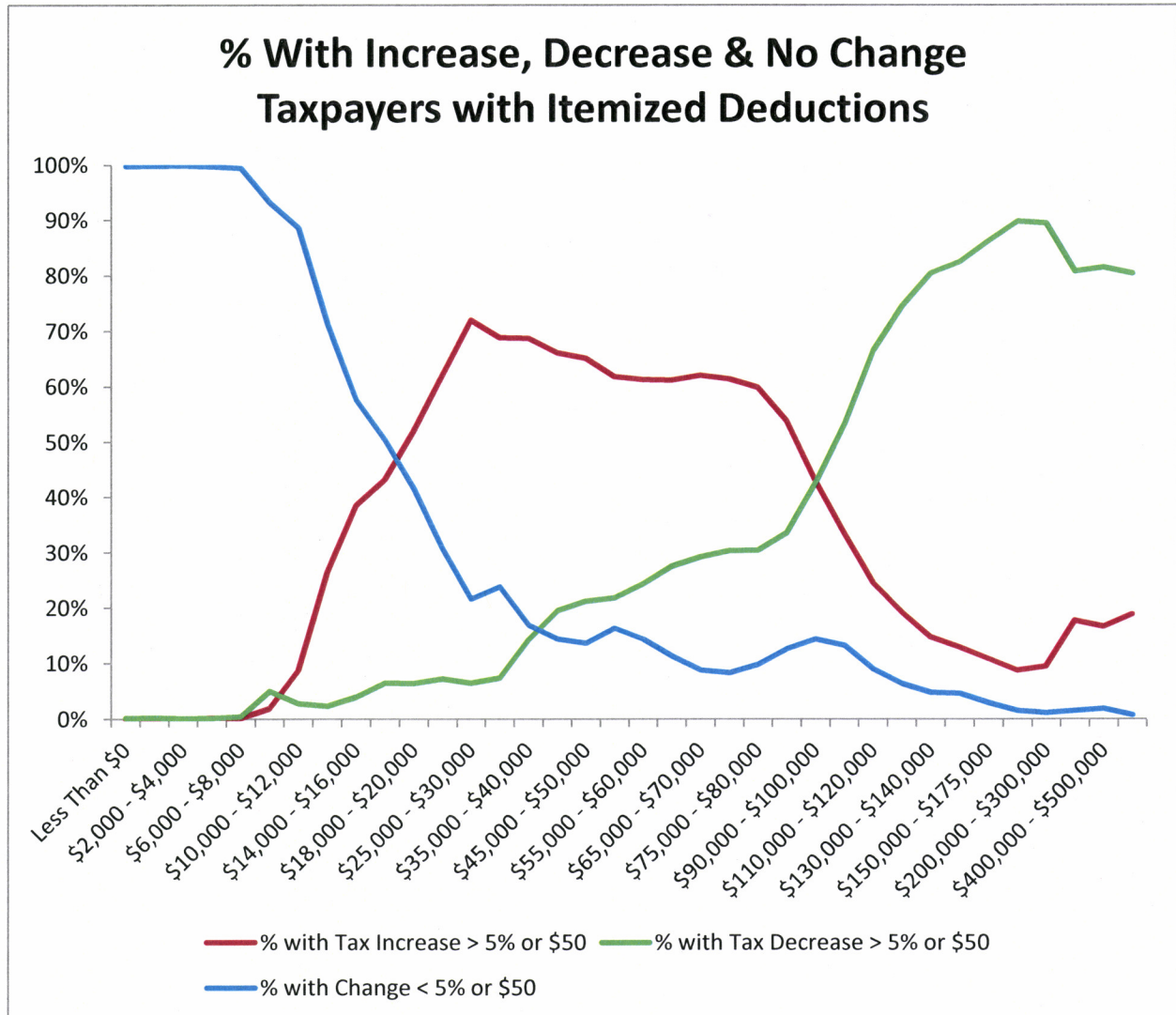
Taxpayers with Capital Gains Average Change in Tax Liability

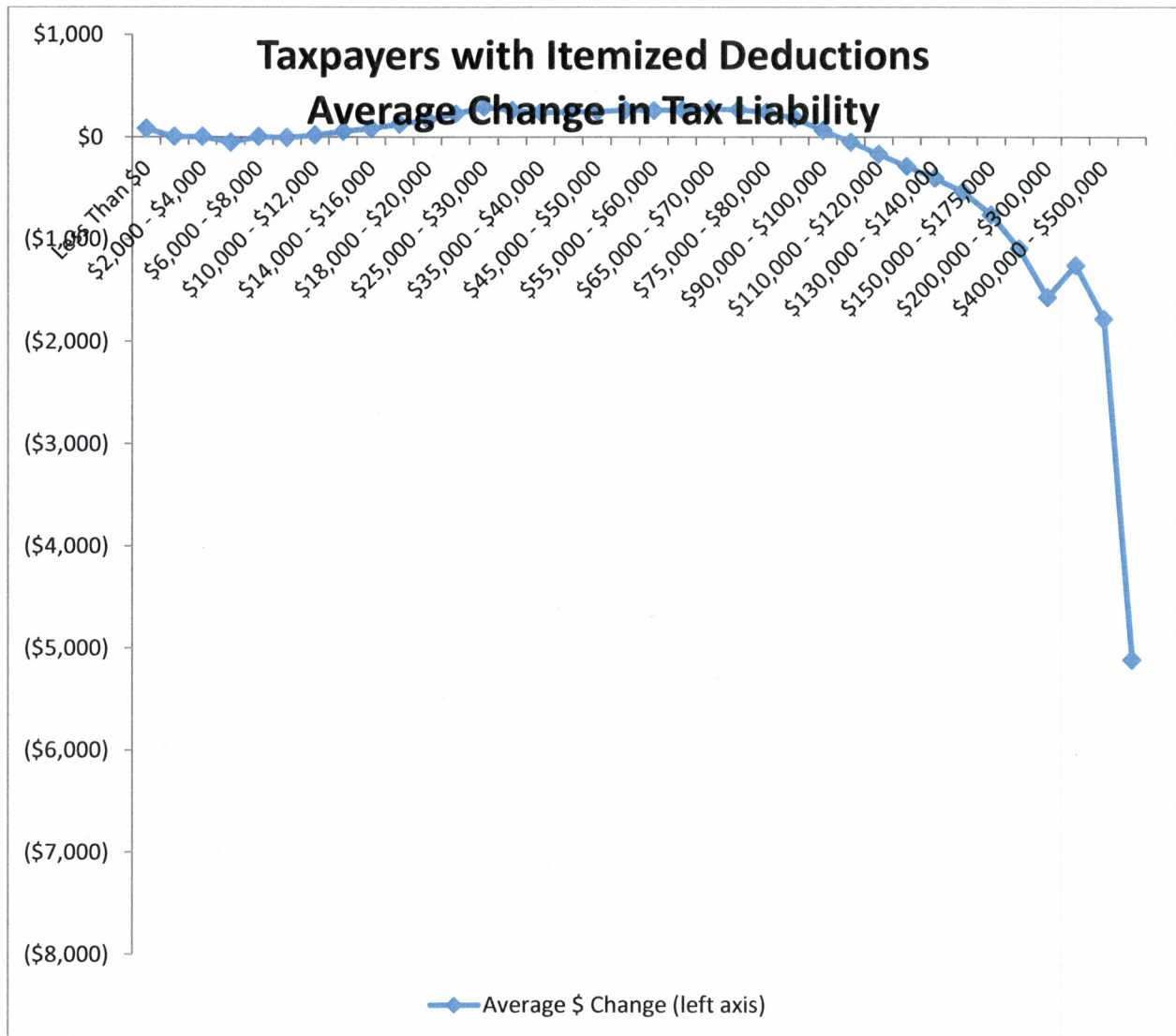




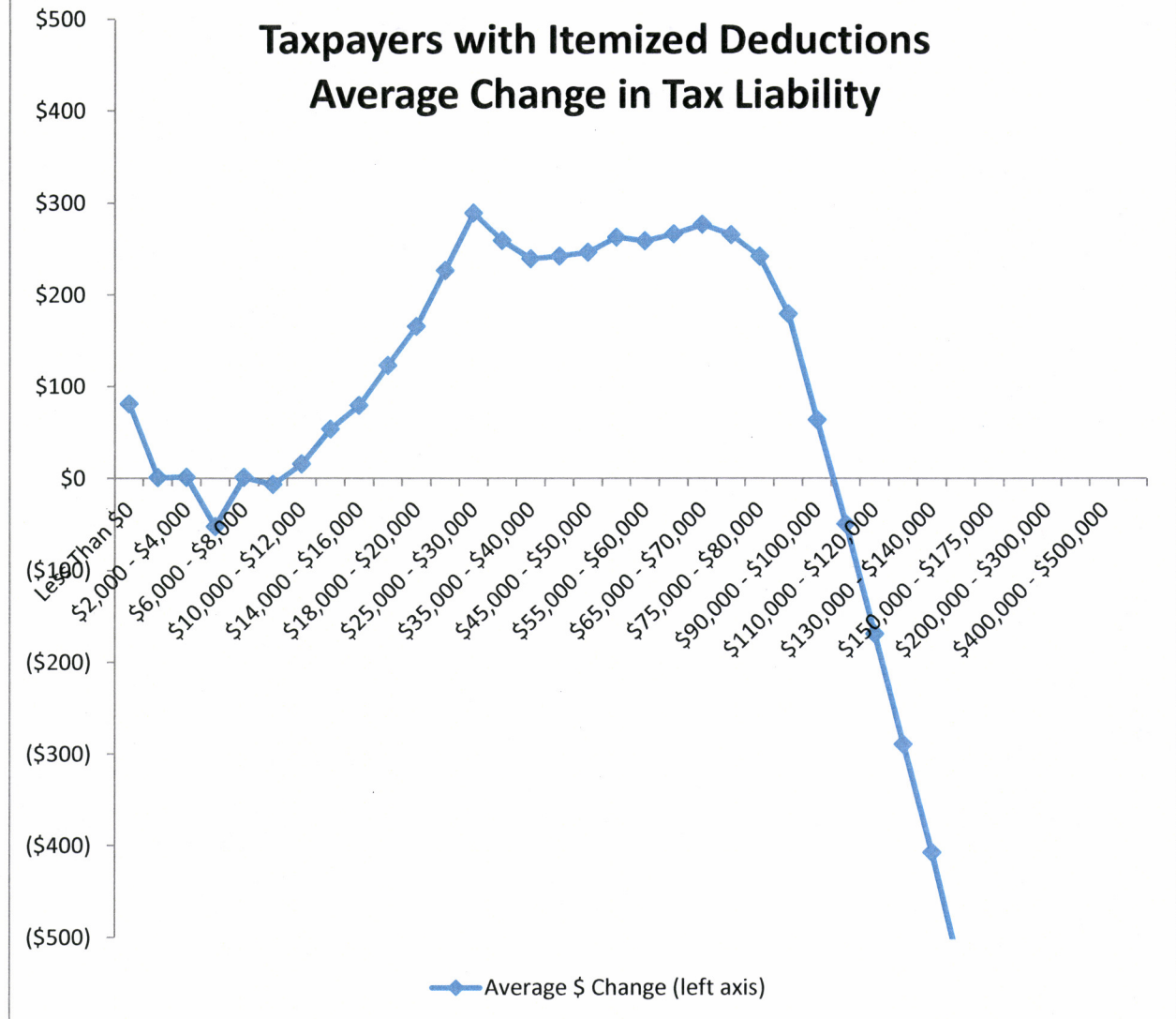


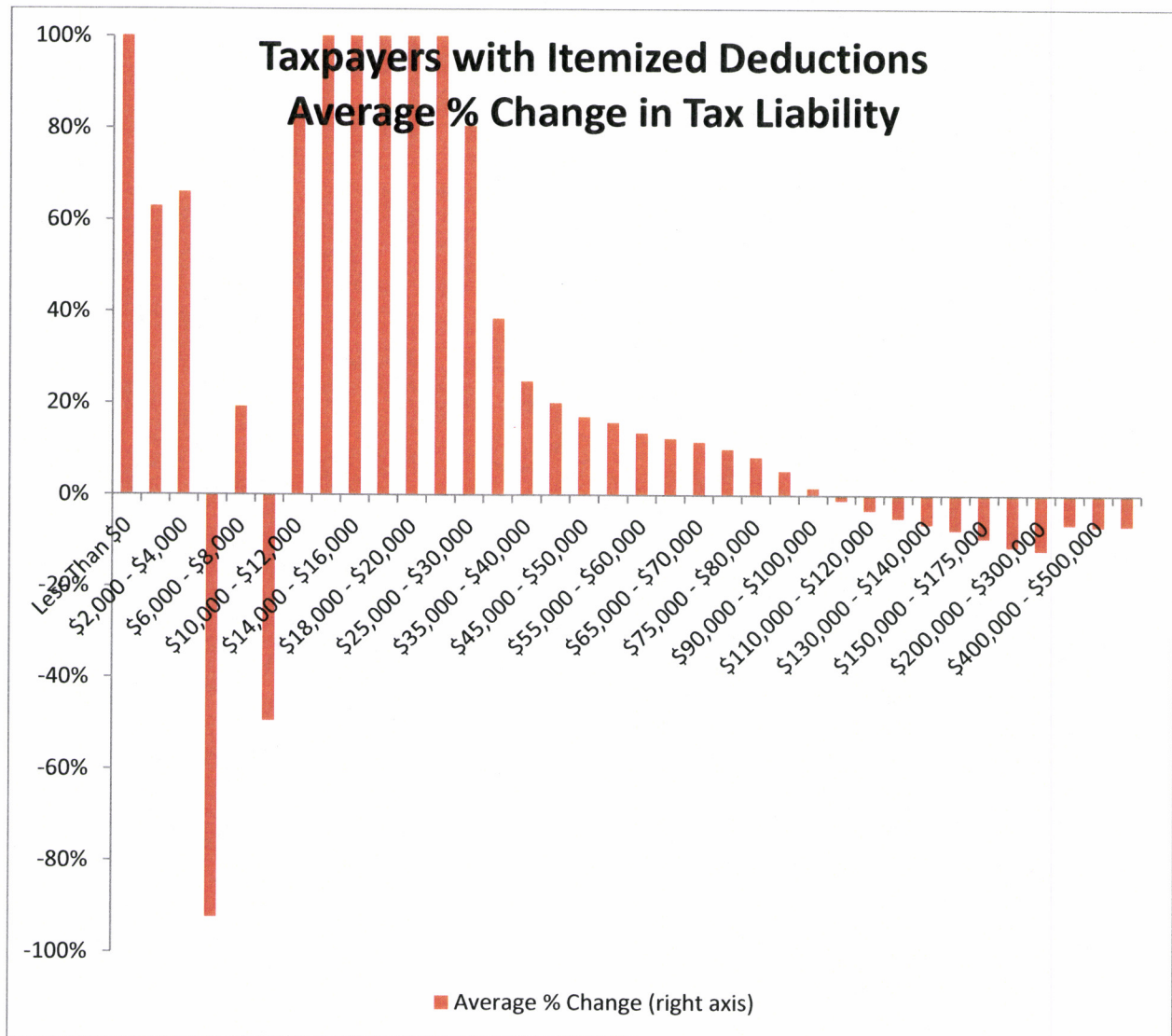
Taxpayers Grouped by Whether Itemized or Took Standard Deduction



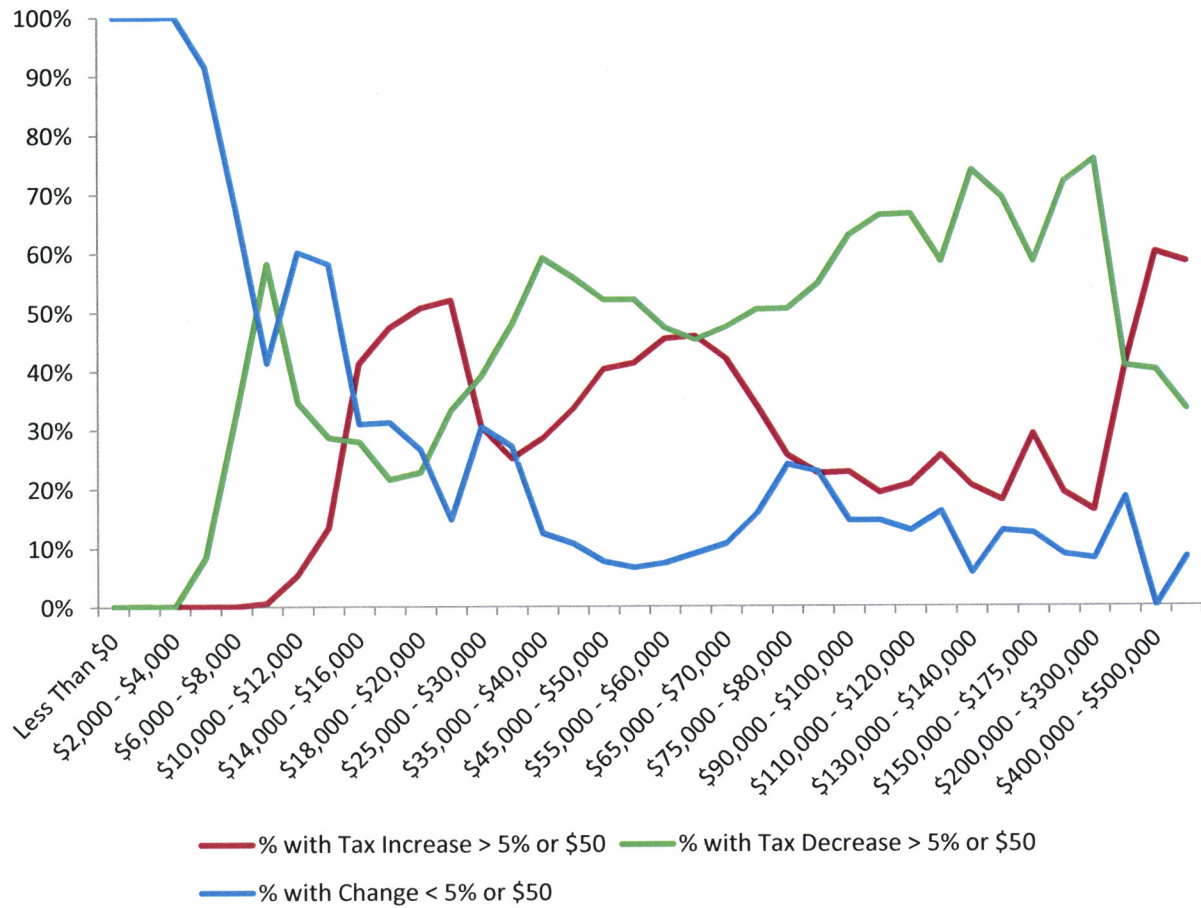


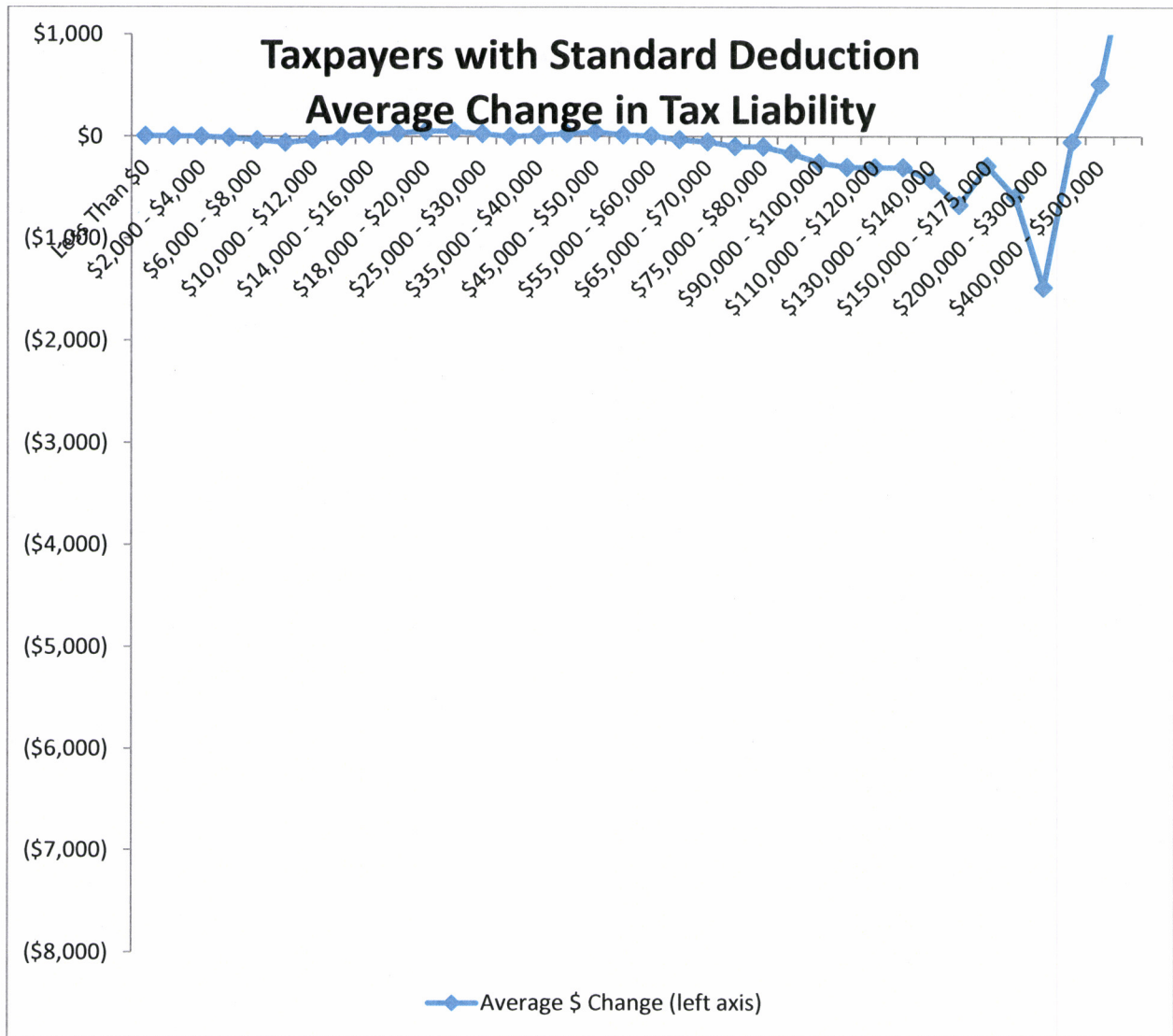
Taxpayers with Itemized Deductions Average Change in Tax Liability



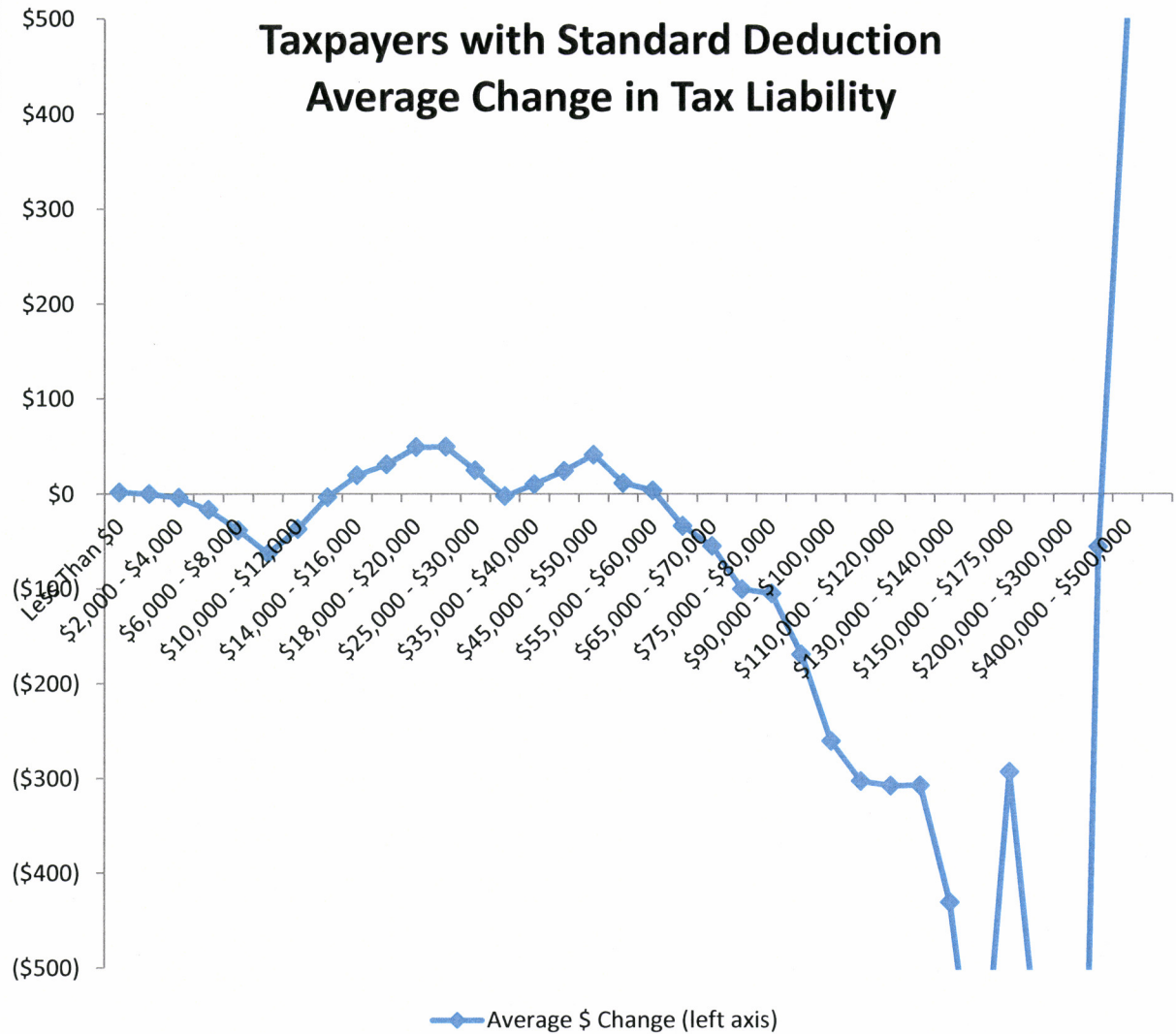


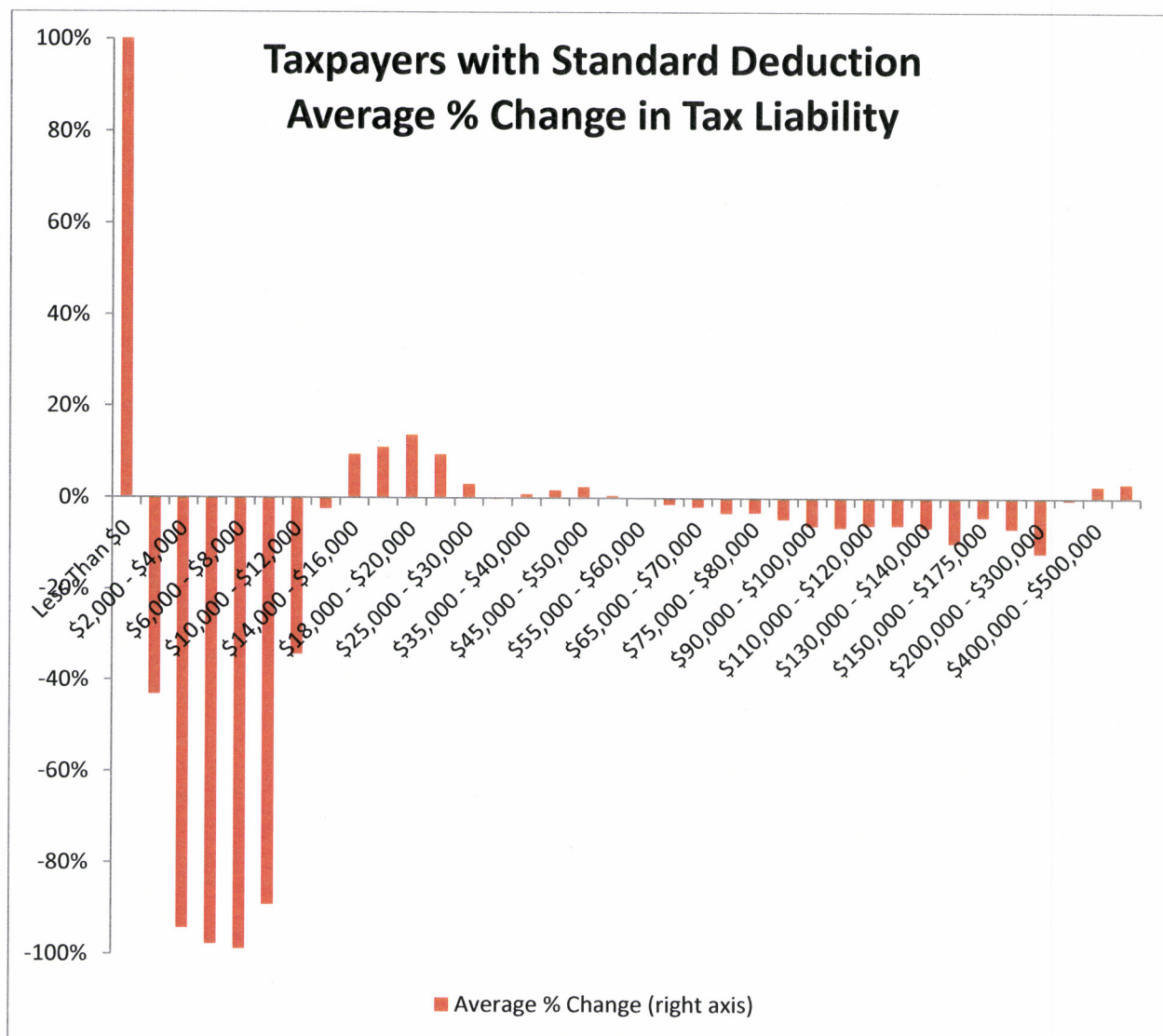
% With Increase, Decrease & No Change Taxpayers with Standard Deduction





Taxpayers with Standard Deduction Average Change in Tax Liability





H8532 - Impacts on Taxpayers by Income Level

Total Household Income	Taxpayers with Capital Losses					Taxpayers with No Capital Gains					Taxpayers with Capital Gains					Taxpayers Taking the Standard Deduction					Taxpayers with Itemized Deductions				
	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change > 5% or \$50	
Less Than \$0	2,231	0%	0%	100%	2,844	0%	0%	100%	907	0%	0%	100%	2,800	0%	0%	100%	1,312	0%	0%	100%	3,182	0%	0%	100%	
\$0,000 - \$2,000	1,065	0%	0%	100%	12,098	0%	0%	100%	603	0%	0%	100%	11,871	0%	0%	100%	1,895	0%	0%	100%	1,895	0%	0%	100%	
\$2,000 - \$4,000	955	0%	0%	100%	13,411	0%	0%	100%	713	0%	0%	100%	13,366	0%	0%	100%	1,713	0%	0%	100%	1,713	0%	0%	100%	
\$4,000 - \$6,000	937	1%	1%	98%	14,061	0%	8%	92%	752	0%	0%	100%	13,760	0%	0%	100%	1,990	0%	0%	100%	1,990	0%	0%	100%	
\$6,000 - \$8,000	963	0%	10%	90%	14,286	0%	30%	70%	785	0%	2%	98%	13,484	0%	0%	97%	2,550	0%	0%	100%	2,550	0%	0%	100%	
\$8,000 - \$10,000	893	3%	18%	79%	13,815	1%	52%	48%	774	0%	20%	80%	11,905	1%	58%	41%	3,481	5%	5%	93%	3,481	2%	2%	93%	
\$10,000 - \$12,000	869	11%	7%	82%	13,726	6%	30%	64%	791	10%	5%	85%	11,905	5%	35%	60%	3,481	9%	3%	89%	3,481	3%	3%	89%	
\$12,000 - \$14,000	820	22%	4%	74%	13,386	15%	25%	60%	865	23%	3%	72%	11,244	13%	29%	58%	3,827	26%	2%	71%	3,827	26%	2%	71%	
\$14,000 - \$16,000	860	42%	5%	54%	12,872	40%	24%	36%	902	43%	3%	54%	10,640	41%	31%	31%	3,994	39%	4%	58%	3,994	39%	4%	58%	
\$16,000 - \$18,000	753	48%	6%	46%	12,496	46%	19%	35%	791	50%	5%	45%	10,059	47%	22%	31%	3,981	43%	6%	50%	3,981	43%	6%	50%	
\$18,000 - \$20,000	743	57%	6%	37%	12,168	51%	20%	30%	822	55%	5%	40%	9,466	51%	23%	27%	4,247	52%	6%	42%	4,247	52%	6%	42%	
\$20,000 - \$25,000	1,642	65%	7%	28%	27,801	54%	27%	19%	2,004	64%	6%	29%	20,899	52%	33%	15%	10,548	62%	7%	31%	10,548	62%	7%	31%	
\$25,000 - \$30,000	1,560	69%	7%	24%	23,354	45%	28%	27%	1,919	67%	7%	26%	15,380	30%	39%	30%	11,453	72%	6%	22%	11,453	72%	6%	22%	
\$30,000 - \$35,000	1,496	73%	9%	18%	19,383	45%	28%	26%	1,931	69%	10%	22%	10,402	25%	48%	27%	12,408	69%	7%	24%	12,408	69%	7%	24%	
\$35,000 - \$40,000	1,402	73%	13%	14%	16,563	50%	34%	15%	1,767	73%	12%	15%	6,885	28%	59%	12%	12,847	69%	14%	17%	12,847	69%	14%	17%	
\$40,000 - \$45,000	1,324	76%	13%	12%	14,638	53%	34%	13%	1,761	73%	13%	15%	5,209	34%	56%	11%	12,514	66%	19%	14%	12,514	66%	19%	14%	
\$45,000 - \$50,000	1,312	73%	15%	12%	12,799	55%	33%	12%	1,736	74%	15%	11%	4,020	40%	52%	8%	11,887	65%	21%	14%	11,887	65%	21%	14%	
\$50,000 - \$55,000	1,316	69%	17%	13%	11,590	54%	32%	15%	1,738	73%	15%	11%	3,048	41%	52%	7%	11,596	61%	22%	16%	11,596	61%	22%	16%	
\$55,000 - \$60,000	1,234	69%	20%	12%	10,524	55%	32%	13%	1,689	73%	15%	12%	2,404	45%	47%	7%	11,043	61%	24%	14%	11,043	61%	24%	14%	
\$60,000 - \$65,000	1,232	66%	21%	13%	9,408	55%	34%	11%	1,694	72%	17%	10%	1,826	46%	45%	9%	10,508	61%	28%	11%	10,508	61%	28%	11%	
\$65,000 - \$70,000	1,146	68%	22%	9%	8,783	56%	36%	9%	1,611	73%	17%	10%	1,521	42%	47%	11%	10,019	62%	29%	9%	10,019	62%	29%	9%	
\$70,000 - \$75,000	1,061	66%	24%	10%	7,736	55%	36%	9%	1,598	74%	18%	8%	1,051	34%	50%	16%	9,344	61%	30%	8%	9,344	61%	30%	8%	
\$75,000 - \$80,000	1,043	65%	27%	8%	6,900	52%	39%	12%	1,526	75%	17%	8%	790	26%	50%	24%	8,679	60%	30%	10%	8,679	60%	30%	10%	
\$80,000 - \$90,000	1,905	61%	29%	10%	11,738	46%	39%	14%	2,724	68%	21%	11%	1,090	23%	55%	23%	15,277	54%	34%	13%	15,277	54%	34%	13%	
\$90,000 - \$100,000	1,512	52%	36%	11%	9,079	35%	50%	16%	2,341	62%	27%	11%	629	23%	63%	14%	12,303	43%	43%	14%	12,303	43%	43%	14%	
\$100,000 - \$110,000	1,278	46%	44%	10%	6,582	23%	62%	15%	1,880	55%	34%	11%	388	19%	66%	14%	9,352	34%	53%	13%	9,352	34%	53%	13%	
\$110,000 - \$120,000	1,052	31%	62%	7%	4,660	15%	76%	10%	1,582	48%	43%	9%	221	21%	67%	13%	7,073	25%	66%	9%	7,073	25%	66%	9%	
\$120,000 - \$130,000	847	24%	69%	7%	3,349	10%	83%	6%	1,286	41%	52%	6%	132	26%	58%	16%	5,330	19%	74%	6%	5,330	19%	74%	6%	
\$130,000 - \$140,000	643	15%	79%	6%	2,333	6%	90%	4%	935	38%	56%	6%	100	20%	74%	6%	3,811	15%	80%	5%	3,811	15%	80%	5%	
\$140,000 - \$150,000	574	9%	84%	6%	1,650	5%	92%	3%	831	33%	59%	8%	87	18%	69%	13%	2,918	13%	82%	5%	2,918	13%	82%	5%	
\$150,000 - \$175,000	993	7%	89%	4%	2,522	4%	94%	2%	1,492	29%	67%	5%	123	29%	58%	12%	4,884	11%	86%	3%	4,884	11%	86%	3%	
\$175,000 - \$200,000	618	4%	95%	2%	1,302	2%	97%	1%	937	24%	73%	3%	63	19%	72%	9%	2,794	9%	90%	2%	2,794	9%	90%	2%	
\$200,000 - \$300,000	1,249	4%	95%	1%	1,894	2%	97%	1%	1,887	23%	76%	2%	80	16%	76%	8%	4,950	9%	88%	1%	4,950	9%	88%	1%	
\$300,000 - \$400,000	466	9%	89%	2%	526	6%	92%	2%	745	33%	65%	2%	28	41%	73%	8%	1,709	18%	81%	2%	1,709	18%	81%	2%	
\$400,000 - \$500,000	242	5%	94%	1%	199	4%	94%	2%	380	32%	64%	1%	18	118%	41%	8%	816	17%	81%	2%	816	17%	81%	2%	
Over \$500,000	588	4%	95%	1%	286	3%	96%	1%	884	36%	64%	1%	*	combined to protect taxpayer privacy		46%	1,745	19%	80%	1%	1,745	19%	80%	1%	
Total	38,834	41%	27%	32%	350,762	34%	32%	35%	47,583	52%	25%	24%	197,549	23%	31%	46%	229,650	48%	30%	22%					

HB532 - Impacts on Taxpayers by Income Level

Total Household Income	Returns with No Dependents				Returns with Dependents				Returns with No Taxpayer Age 65 or Over				Returns with Taxpayer Age 65 or Over			
	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50
Less Than \$0	5,215	0%	0%	100%	767	0%	0%	100%	3,684	0%	0%	100%	2,298	0%	0%	100%
\$0,000 - \$2,000	12,961	0%	0%	100%	805	0%	0%	100%	10,152	0%	0%	100%	3,614	0%	0%	100%
\$2,000 - \$4,000	13,747	0%	0%	100%	1,332	0%	0%	100%	12,764	0%	0%	100%	2,315	0%	0%	100%
\$4,000 - \$6,000	13,937	0%	8%	92%	1,813	0%	0%	100%	13,235	0%	9%	91%	2,515	0%	0%	100%
\$6,000 - \$8,000	13,736	0%	32%	68%	2,298	0%	0%	100%	13,164	0%	34%	66%	2,870	0%	0%	100%
\$8,000 - \$10,000	12,842	1%	58%	41%	2,640	0%	0%	100%	12,548	1%	59%	40%	2,934	2%	1%	98%
\$10,000 - \$12,000	12,297	7%	33%	60%	3,089	3%	8%	89%	12,258	5%	34%	61%	3,128	12%	2%	86%
\$12,000 - \$14,000	11,767	19%	21%	60%	3,304	8%	28%	64%	11,908	14%	28%	59%	3,163	27%	1%	72%
\$14,000 - \$16,000	11,218	51%	14%	34%	3,416	8%	45%	47%	11,470	41%	27%	33%	3,164	40%	2%	58%
\$16,000 - \$18,000	10,559	59%	4%	36%	3,481	7%	56%	37%	11,251	46%	21%	33%	2,789	45%	3%	51%
\$18,000 - \$20,000	10,321	65%	4%	31%	3,412	11%	59%	30%	11,104	50%	21%	29%	2,629	55%	5%	40%
\$20,000 - \$25,000	22,939	70%	13%	17%	8,508	16%	58%	26%	26,006	53%	29%	19%	5,441	70%	3%	26%
\$25,000 - \$30,000	19,400	57%	15%	28%	7,433	24%	52%	25%	22,105	41%	30%	29%	4,728	82%	2%	16%
\$30,000 - \$35,000	16,209	57%	16%	27%	6,601	30%	49%	21%	18,673	42%	31%	28%	4,137	83%	2%	14%
\$35,000 - \$40,000	13,668	62%	25%	13%	6,064	37%	43%	20%	16,401	48%	36%	16%	3,331	84%	3%	13%
\$40,000 - \$45,000	12,119	64%	26%	10%	5,604	41%	40%	19%	14,534	50%	36%	14%	3,189	84%	5%	12%
\$45,000 - \$50,000	10,792	65%	25%	10%	5,115	46%	38%	16%	13,042	53%	34%	13%	2,865	85%	7%	9%
\$50,000 - \$55,000	9,714	62%	23%	14%	4,930	48%	38%	14%	11,799	51%	34%	16%	2,845	84%	7%	9%
\$55,000 - \$60,000	8,546	63%	23%	14%	4,901	51%	37%	12%	10,892	52%	34%	14%	2,555	83%	9%	9%
\$60,000 - \$65,000	7,798	64%	26%	10%	4,536	50%	38%	12%	9,901	53%	36%	11%	2,433	82%	9%	9%
\$65,000 - \$70,000	7,051	66%	27%	7%	4,489	50%	38%	12%	9,219	53%	37%	9%	2,321	84%	9%	7%
\$70,000 - \$75,000	6,261	65%	28%	6%	4,134	48%	38%	14%	8,385	53%	38%	10%	2,010	83%	10%	7%
\$75,000 - \$80,000	5,674	67%	27%	6%	3,795	42%	39%	18%	7,561	50%	38%	12%	1,908	83%	11%	6%
\$80,000 - \$90,000	9,424	63%	29%	8%	6,943	36%	44%	20%	13,161	44%	41%	15%	3,206	82%	12%	6%
\$90,000 - \$100,000	7,198	55%	33%	11%	5,734	24%	57%	18%	10,605	32%	51%	17%	2,327	81%	15%	4%
\$100,000 - \$110,000	5,260	47%	40%	13%	4,480	16%	70%	14%	7,950	22%	63%	15%	1,790	73%	20%	7%
\$110,000 - \$120,000	3,863	37%	54%	10%	3,431	11%	80%	8%	6,000	15%	76%	9%	1,294	65%	26%	9%
\$120,000 - \$130,000	2,957	30%	63%	7%	2,525	8%	85%	6%	4,485	11%	83%	6%	997	61%	30%	9%
\$130,000 - \$140,000	2,062	24%	70%	6%	1,849	5%	91%	4%	3,208	8%	88%	4%	703	52%	40%	7%
\$140,000 - \$150,000	1,661	19%	75%	6%	1,344	6%	90%	4%	2,416	7%	89%	4%	589	43%	45%	12%
\$150,000 - \$175,000	2,813	17%	79%	4%	2,194	5%	93%	2%	3,930	6%	92%	2%	1,077	36%	56%	8%
\$175,000 - \$200,000	1,636	13%	85%	2%	1,221	4%	95%	1%	2,209	5%	94%	1%	648	24%	72%	5%
\$200,000 - \$300,000	2,807	14%	85%	1%	2,223	4%	95%	1%	3,862	5%	94%	1%	1,168	25%	72%	3%
\$300,000 - \$400,000	946	23%	75%	2%	791	12%	86%	1%	1,353	13%	85%	2%	384	37%	60%	3%
\$400,000 - \$500,000	463	20%	78%	2%	358	13%	86%	1%	641	12%	87%	2%	180	0%	0%	0%
Over \$500,000	967	24%	75%	1%	791	13%	86%	1%	1,359	15%	85%	1%	399	35%	64%	1%
Total	310,828	41%	23%	35%	126,351	25%	47%	27%	353,235	32%	36%	32%	83,944	54%	8%	38%

HB532 - Impacts on Taxpayers by Income Level

Total Household Income	Head of Household Returns				Joint Returns				Separate Returns				Single Filers				All Returns			
	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50	Number of Returns	% with Tax Increase > 5% or \$50	% with Tax Decrease > 5% or \$50	% with Change < 5% or \$50
Less Than \$0	165	0%	0%	100%	2,337	0%	0%	100%	256	0%	0%	100%	3,224	0%	0%	100%	5,982	0%	0%	100%
\$0,000 - \$2,000	481	0%	0%	100%	1,220	0%	0%	100%	275	0%	0%	100%	11,790	0%	0%	100%	13,766	0%	0%	100%
\$2,000 - \$4,000	821	0%	0%	100%	1,121	0%	0%	100%	243	0%	0%	100%	12,894	0%	0%	100%	15,079	0%	0%	100%
\$4,000 - \$6,000	1,138	0%	0%	100%	1,255	0%	0%	100%	320	0%	0%	100%	13,037	0%	0%	100%	15,750	0%	0%	99%
\$6,000 - \$8,000	1,513	0%	0%	100%	1,560	0%	2%	98%	318	0%	6%	94%	12,643	0%	6%	94%	16,034	0%	28%	72%
\$8,000 - \$10,000	1,775	0%	1%	99%	1,764	0%	3%	97%	367	3%	12%	84%	11,576	1%	3%	97%	15,482	1%	48%	51%
\$10,000 - \$12,000	2,088	0%	12%	88%	1,990	0%	6%	94%	385	12%	6%	83%	10,323	8%	36%	56%	15,386	6%	28%	66%
\$12,000 - \$14,000	2,216	0%	41%	58%	2,285	0%	11%	89%	433	37%	5%	58%	10,137	23%	22%	55%	15,071	16%	23%	61%
\$14,000 - \$16,000	2,222	0%	63%	37%	2,535	1%	18%	80%	455	47%	7%	45%	9,422	62%	7%	25%	14,634	41%	22%	38%
\$16,000 - \$18,000	2,274	2%	71%	27%	2,520	3%	29%	68%	563	52%	9%	39%	8,683	70%	0%	29%	14,040	46%	18%	36%
\$18,000 - \$20,000	2,123	6%	73%	22%	2,726	11%	33%	57%	623	63%	9%	29%	8,261	74%	0%	25%	13,733	51%	18%	31%
\$20,000 - \$25,000	4,876	11%	68%	21%	6,579	22%	38%	39%	1,993	71%	7%	22%	17,999	76%	11%	13%	31,447	55%	25%	20%
\$25,000 - \$30,000	3,857	17%	61%	22%	6,127	35%	37%	28%	2,315	78%	5%	17%	14,534	55%	15%	29%	26,833	47%	26%	27%
\$30,000 - \$35,000	3,006	20%	58%	22%	5,596	40%	38%	21%	2,809	83%	4%	13%	11,399	53%	16%	31%	22,810	49%	26%	25%
\$35,000 - \$40,000	2,267	24%	54%	22%	4,966	40%	40%	20%	3,563	88%	4%	8%	8,536	56%	30%	13%	19,732	54%	31%	15%
\$40,000 - \$45,000	1,718	22%	53%	25%	4,463	39%	42%	19%	4,115	90%	4%	6%	7,437	55%	34%	11%	17,723	56%	31%	13%
\$45,000 - \$50,000	1,305	20%	56%	24%	3,779	39%	45%	16%	4,690	91%	4%	5%	6,133	53%	35%	13%	15,907	58%	29%	12%
\$50,000 - \$55,000	1,088	11%	62%	26%	3,573	39%	45%	16%	4,991	91%	4%	5%	4,992	43%	36%	21%	14,644	57%	29%	14%
\$55,000 - \$60,000	908	9%	73%	17%	3,112	36%	47%	17%	5,401	91%	4%	4%	4,026	35%	42%	23%	13,447	58%	29%	13%
\$60,000 - \$65,000	692	9%	77%	14%	2,808	33%	47%	17%	5,650	91%	5%	5%	3,184	27%	55%	18%	12,334	59%	30%	11%
\$65,000 - \$70,000	591	5%	84%	11%	2,585	32%	53%	16%	5,911	90%	5%	5%	2,453	23%	66%	11%	11,540	59%	32%	9%
\$70,000 - \$75,000	463	6%	86%	8%	2,215	27%	57%	16%	5,825	88%	6%	7%	1,892	16%	75%	9%	10,395	59%	32%	9%
\$75,000 - \$80,000	305	5%	86%	9%	2,082	27%	58%	14%	5,615	83%	6%	11%	1,467	15%	78%	7%	9,469	57%	32%	11%
\$80,000 - \$90,000	454	4%	87%	9%	3,617	23%	64%	13%	10,153	76%	9%	15%	2,143	11%	83%	6%	16,367	52%	35%	13%
\$90,000 - \$100,000	325	5%	91%	5%	2,855	16%	74%	10%	8,372	62%	18%	19%	1,380	10%	85%	4%	12,932	42%	44%	14%
\$100,000 - \$110,000	204	4%	93%	3%	2,042	12%	77%	11%	6,530	48%	35%	17%	964	10%	86%	4%	9,740	33%	54%	13%
\$110,000 - \$120,000	111	2%	95%	3%	1,479	9%	81%	9%	5,063	34%	56%	11%	641	9%	89%	2%	7,294	24%	66%	9%
\$120,000 - \$130,000	100	5%	93%	2%	1,110	9%	82%	9%	3,820	25%	69%	7%	452	11%	86%	3%	5,482	19%	74%	7%
\$130,000 - \$140,000	80	5%	95%	0%	796	7%	87%	6%	2,710	18%	77%	5%	325	13%	84%	2%	3,911	15%	80%	5%
\$140,000 - \$150,000	50	6%	90%	4%	651	7%	87%	6%	2,037	16%	79%	5%	267	9%	88%	4%	3,005	13%	82%	5%
\$150,000 - \$175,000	93	4%	95%	1%	1,139	8%	87%	5%	3,289	13%	84%	3%	486	8%	89%	2%	5,007	11%	86%	3%
\$175,000 - \$200,000	60	4%	95%	2%	742	5%	92%	3%	1,781	10%	88%	1%	274	12%	88%	1%	2,857	9%	89%	2%
\$200,000 - \$300,000	79	4%	96%	0%	1,395	6%	93%	2%	3,032	10%	89%	1%	524	15%	84%	1%	5,030	10%	89%	1%
\$300,000 - \$400,000	35	19%	81%	0%	527	14%	83%	3%	971	20%	80%	1%	204	22%	75%	3%	1,737	18%	80%	2%
\$400,000 - \$500,000	14	25%	75%	0%	270	13%	85%	3%	448	19%	80%	1%	89	18%	80%	2%	821	17%	81%	2%
Over \$500,000	38	29%	71%	0%	581	18%	80%	2%	949	18%	82%	0%	190	28%	70%	2%	1,758	19%	80%	1%
Total	39,535	9%	52%	39%	86,392	22%	43%	35%	106,271	64%	24%	12%	204,981	33%	24%	43%	437,179	36%	31%	33%

Comparison of the Income Tax Bills

General Information	SB 282	HB 393	HB 532	HB 581
Tie to Federal Taxable Income	Yes	Yes	No	Yes
Eliminates Incentive for Married Filing Separate Rates	Yes	Yes	Yes	Yes
Rates	4%, 6%	5.50%	No Change	1%, 3%, 6%
Montana Additions to Income	SB 282	HB 393	HB 532	HB 581
Interest on other states' municipal bonds				
Dividends not included in FAGI	Repeal		Repeal	Repeal
Taxable federal refunds	Repeal		Repeal	Repeal
Recoveries of amounts deducted in earlier years			Repeal	Repeal
Additions to federal taxable social security or railroad retirement	Repeal		Repeal	Repeal
Allocation of compensation to spouse	Repeal		Repeal	Repeal
Medical savings account nonqualified withdrawals				
Family education savings account nonqualified withdrawals				
First-time homebuyer's account nonqualified withdrawals				
Farm and ranch risk management account taxable distributions	Repeal		Repeal	Repeal
Income item used as basis for a credit	New		New	New
Dependent care assistance credit adjustment	Repeal		Repeal	Repeal
Smaller federal estate and trust taxable distributions	Repeal		Repeal	Repeal
Federal net operating loss carryover	Repeal		Repeal	Repeal
Federal taxes paid by your S. corporation	Repeal		Repeal	Repeal
Title plant depreciation	Repeal		Repeal	Repeal
Group health premiums reimbursed by Insure Montana credit	Repeal		Repeal	Repeal
Other additions	Repeal		Repeal	Repeal

Montana Subtractions from Income	SB 282	HB 393	HB 532	HB 581
Federal bonds exempt interest				
Exempt tribal income				
Exempt unemployment compensation	Repeal		Repeal	Repeal
Exempt worker's comp benefits	Repeal		Repeal	Repeal
Capital gains from small business investment companies	Repeal		Repeal	Repeal
State tax refunds included in federal AGI	Repeal		Repeal	Repeal
Recoveries of amounts deducted in earlier years that did not increase MT taxes	Repeal		Repeal	Repeal
Exempt active duty military salary				
Nonresident exempt military income	Repeal		Repeal	Repeal
Exempt life insurance premiums reimbursement (National Guard)	Repeal		Repeal	Repeal
Exempt pension income	Repeal		Repeal	Repeal
Elderly interest exclusion	Repeal		Repeal	Repeal
Exempt retirement disability income (under age 65)	Repeal		Repeal	Repeal
Exempt tip income	Repeal		Repeal	Repeal
Exempt income of child taxed to parent	Repeal		Repeal	Repeal
Exempt health insurance premiums taxed to employee	Repeal		Repeal	Repeal
Student loan repayments taxed to health care professional	Repeal		Repeal	Repeal
Medical care savings account exempt deposits	Repeal		Repeal	Repeal
First-time homebuyer exempt savings account deposits	Repeal		Repeal	Repeal
Family education savings account exempt deposits	Repeal		Repeal	Repeal
Farm and ranch risk management accounts exempt deposits	Repeal		Repeal	Repeal
Subtraction to federal taxable social security/Tier 1 railroad retirement	Repeal		Repeal	Repeal
Subtraction for federal taxable Tier II railroad retirement				
Subtraction for spouse filing joint return: passive loss carryover	Repeal		Repeal	Repeal
Subtraction for spouse filing joint return: capital loss	Repeal		Repeal	Repeal
Allocation of compensation to spouse	Repeal		Repeal	Repeal
Montana net operation loss carryover	Repeal		Repeal	Repeal
40% capital gain exclusion on pre-1987 installment sales	Repeal		Repeal	Repeal
Business expense of recycled material	Repeal		Repeal	Repeal
Sales of land to beginning farmers	Repeal		Repeal	Repeal
Larger federal estate and trust taxable distributions	Repeal		Repeal	Repeal
Wage deduction reduced by federal targeted jobs credit	Repeal		Repeal	Repeal
Certain gains recognized by liquidating corporation	Repeal		Repeal	Repeal
Other subtractions	Repeal		Repeal	Repeal

Montana-Specific Itemized Deductions	SB 282	HB 393	HB 532	HB 581
Medical insurance premiums not deducted elsewhere	Repeal		Repeal	Repeal
Long-term care insurance premiums not deducted elsewhere	Repeal		Repeal	Repeal
Federal Income Tax	Repeal		Repeal	Repeal
Political contributions	Repeal		Repeal	Repeal
Child and dependent care expenses	Repeal		Repeal	Repeal
Individual Income Tax Credits	SB 282	HB 393	HB 532	HB 581
Other states' income tax credit				
College contribution tax credit				Repeal
Qualified endowment tax credit				
Energy conservation tax credit	Repeal		Repeal	Repeal
Alternative fuel tax credit	Repeal		Repeal	Repeal
Insurance for uninsured Montanans credit			Repeal	Repeal
Elderly care tax credit			Repeal	Repeal
Recycling tax credit	Repeal		Repeal	Repeal
Oil seed crushing/biodiesel facility credit	Repeal		Repeal	Repeal
Biodiesel blending/storage tank credit	Repeal		Repeal	Repeal
Contractor's gross receipts tax credit	Repeal		Repeal	Repeal
Geothermal systems tax credit	Repeal		Repeal	Repeal
Alternative energy systems credit	Repeal			Repeal
Alternative energy production tax credit	Repeal		Repeal	Repeal
Dependent care assistance credit			Repeal	Repeal
Historic property preservation tax credit			Repeal	Repeal
Infrastructure user fee credit				Repeal
Empowerment zone credit	Repeal		Repeal	Repeal
Research activities tax credit (sunset at end of 2010)			Repeal	Repeal
Mineral exploration tax credit	Repeal		Repeal	Repeal
Adoption credit			Repeal	Repeal
Elderly homeowner/renter tax credit				Repeal
Film production employment tax credit	Repeal		Repeal	Repeal
Film qualified expenditure tax credit	Repeal		Repeal	Repeal
Insure MT small business health insurance credit				
Emergency lodging credit			Repeal	Repeal

Corporate Tax Credits	SB 282	HB 393	HB 532	HB 581
Contractors Gross Receipts Tax Credit	Repeal		Repeal	Repeal
Charitable Endowment Credit				
Montana Recycling Credit	Repeal			Repeal
Credit for Increasing Research Activities (sunset at end of 2010)				Repeal
Credit for Contribution to MT University or Private College				Repeal
Temporary Emergency Lodging Credit				Repeal
Health Insurance for Uninsured Montanans Credit				Repeal
Credit for Alternative Fuel Motor Vehicle Conversion	Repeal			Repeal
Alternative Energy Production Credit	Repeal			Repeal
Dependent Care Assistance Credit				Repeal
New/Expanded Industry Credit	Repeal			Repeal
Historical Building Credit				Repeal
Infrastructure Users Fee Credit				Repeal
Mineral Exploration Incentive Credit	Repeal			Repeal
Interest Differential Credit				
Film Production Credit	Repeal			Repeal
Film Employment Refundable Credit	Repeal			Repeal
Biodiesel Blending and Storage Credit	Repeal			Repeal
Oilseed Crushing and Biodiesel Production Credit	Repeal			Repeal
Geothermal System Credit	Repeal			Repeal
Insure Montana Credit				
Empowerment Zone Credit	Repeal			Repeal

2011 Montana-Specific Deductions by Decile (residents only)

Decile Group	Income Range	Medical Insurance Premiums		Long-Term Care Insurance Premiums		Federal Income Tax		Child and Dependent Care Expenses		Political Contributions	
		\$	% of total	\$	% of total	\$	% of total	\$	% of total	\$	% of total
1	\$0-\$5,815	\$210	0.0%	\$0	0.0%	\$118	0.0%	\$0	0.0%	\$1	0.0%
2	\$5,816-\$11,290	\$12,817	0.1%	\$149	0.0%	\$7,597	0.0%	\$249	2.8%	\$4	0.0%
3	\$11,291-\$17,144	\$94,559	0.6%	\$2,272	0.2%	\$61,288	0.1%	\$2,299	26.0%	\$41	0.1%
4	\$17,145-\$23,642	\$274,564	1.8%	\$8,854	0.7%	\$275,316	0.5%	\$4,841	54.8%	\$121	0.3%
5	\$23,643-\$31,729	\$697,498	4.5%	\$30,174	2.3%	\$1,136,098	2.1%	\$784	8.9%	\$646	1.5%
6	\$31,730-\$42,456	\$1,580,813	10.2%	\$105,455	8.0%	\$3,231,828	5.9%	\$118	1.3%	\$1,879	4.3%
7	\$42,457-\$56,355	\$2,418,819	15.6%	\$156,825	12.0%	\$5,944,498	10.8%	\$397	4.5%	\$3,713	8.6%
8	\$56,356-\$74,586	\$3,207,739	20.7%	\$248,741	19.0%	\$9,706,339	17.6%	\$100	1.1%	\$6,504	15.0%
9	\$74,587-\$103,203	\$3,608,891	23.3%	\$336,266	25.6%	\$15,231,701	27.6%	\$40	0.5%	\$10,409	24.1%
10	\$103,204 and over	\$3,624,007	23.4%	\$423,428	32.3%	\$19,587,837	35.5%	\$0	0.0%	\$19,910	46.1%
Total		\$15,519,917		\$1,312,163		\$55,182,618		\$8,829		\$43,228	

Married Couple, One Income, Two Dependents, Standard Deduction

	Current Montana Law Joint Return	SB 282 Joint Return	HB532 Joint Return	HB581 Joint Return
Adjusted Gross Income	\$20,000	\$20,000	\$20,000	\$20,000
Standard Deduction	\$4,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$7,040	\$0	\$0	\$0
Tax	\$136	\$0	\$0	\$0
Adjusted Gross Income	\$40,000	\$40,000	\$40,000	\$40,000
Standard Deduction	\$8,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$23,040	\$12,900	\$12,900	\$12,900
Tax	\$1,068	\$516	\$710	\$307
Adjusted Gross Income	\$60,000	\$60,000	\$60,000	\$60,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$42,640	\$32,900	\$32,900	\$32,900
Tax	\$2,421	\$1,645	\$1,810	\$1,384
Adjusted Gross Income	\$100,000	\$100,000	\$100,000	\$100,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$82,640	\$72,900	\$72,900	\$72,900
Tax	\$5,181	\$4,005	\$4,010	\$3,784
Adjusted Gross Income	\$250,000	\$250,000	\$250,000	\$250,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$232,640	\$222,900	\$222,900	\$222,900
Tax	\$15,531	\$12,855	\$12,260	\$12,784

Married Couple, One Income, Two Dependents, Itemized Deduction

	Current Montana Law Joint Return	SB 282 Joint Return	HB532 Joint Return	HB581 Joint Return
Adjusted Gross Income	\$20,000	\$20,000	\$20,000	\$20,000
Itemized Deduction	\$9,441	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$1,599	\$0	\$0	\$0
Tax	\$16	\$0	\$0	\$0
Adjusted Gross Income	\$40,000	\$40,000	\$40,000	\$40,000
Itemized Deduction	\$11,939	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$19,101	\$12,900	\$12,900	\$12,900
Tax	\$796	\$516	\$710	\$307
Adjusted Gross Income	\$60,000	\$60,000	\$60,000	\$60,000
Itemized Deduction	\$15,594	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$35,446	\$32,900	\$32,900	\$32,900
Tax	\$1,924	\$1,645	\$1,810	\$1,384
Adjusted Gross Income	\$100,000	\$100,000	\$100,000	\$100,000
Itemized Deduction	\$21,142	\$13,366	\$13,366	\$13,366
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$69,898	\$71,434	\$71,434	\$71,434
Tax	\$4,301	\$3,918	\$3,929	\$3,696
Adjusted Gross Income	\$250,000	\$250,000	\$250,000	\$250,000
Itemized Deduction	\$32,250	\$24,049	\$24,049	\$24,049
Personal Exemptions	\$8,960	\$15,200	\$15,200	\$15,200
Taxable Income	\$208,790	\$210,751	\$210,751	\$210,751
Tax	\$13,885	\$12,138	\$11,591	\$12,055

**For adjusted gross income levels of \$20,000, \$40,000, and \$60,000 the average itemized deduction is less than the standard deduction. Taxpayers will choose the standard deduction.

Adjusted Gross Income	Itemized Deduction
\$20,000	\$6,110
\$40,000	\$7,006
\$60,000	\$9,445

Married Couple, Two Equal Incomes, Two Dependents, Standard Deduction

	Current Montana Law		SB 282	HB532	HB581
	Separate Returns		Joint Return	Joint Return	Joint Return
Adjusted Gross Income	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000
Standard Deduction	\$2,000	\$2,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$3,520	\$3,520	\$0	\$0	\$0
Tax	\$43	\$43	\$0	\$0	\$0
Adjusted Gross Income	\$20,000	\$20,000	\$40,000	\$40,000	\$40,000
Standard Deduction	\$4,000	\$4,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$11,520	\$11,520	\$12,900	\$12,900	\$12,900
Tax	\$329	\$329	\$516	\$710	\$307
Adjusted Gross Income	\$30,000	\$30,000	\$60,000	\$60,000	\$60,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$21,320	\$21,320	\$32,900	\$32,900	\$32,900
Tax	\$949	\$949	\$1,645	\$1,810	\$1,384
Adjusted Gross Income	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$41,320	\$41,320	\$72,900	\$72,900	\$72,900
Tax	\$2,329	\$2,329	\$4,005	\$4,010	\$3,784
Adjusted Gross Income	\$125,000	\$125,000	\$250,000	\$250,000	\$250,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$116,320	\$116,320	\$222,900	\$222,900	\$222,900
Tax	\$7,504	\$7,504	\$12,855	\$12,260	\$12,784

Married Couple, Two Equal Incomes, Two Dependents, Itemized Deduction

	Current Montana Law		SB 282	HB532	HB581
	Separate Returns		Joint Return	Joint Return	Joint Return
Adjusted Gross Income	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000
Itemized Deduction	\$4,097	\$4,097	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$1,423	\$1,423	\$0	\$0	\$0
Tax	\$14	\$14	\$0	\$0	\$0
Adjusted Gross Income	\$20,000	\$20,000	\$40,000	\$40,000	\$40,000
Itemized Deduction	\$6,470	\$6,470	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$9,050	\$9,050	\$12,900	\$12,900	\$12,900
Tax	\$214	\$214	\$516	\$710	\$307
Adjusted Gross Income	\$30,000	\$30,000	\$60,000	\$60,000	\$60,000
Itemized Deduction	\$9,086	\$9,086	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$16,434	\$16,434	\$32,900	\$32,900	\$32,900
Tax	\$612	\$612	\$1,645	\$1,810	\$1,384
Adjusted Gross Income	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Itemized Deduction	\$13,463	\$13,463	\$13,366	\$13,366	\$13,366
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$32,057	\$32,057	\$71,434	\$71,434	\$71,434
Tax	\$1,690	\$1,690	\$3,918	\$3,929	\$3,696
Adjusted Gross Income	\$125,000	\$125,000	\$250,000	\$250,000	\$250,000
Itemized Deduction	\$20,354	\$20,354	\$24,049	\$24,049	\$24,049
Personal Exemptions	\$4,480	\$4,480	\$15,200	\$15,200	\$15,200
Taxable Income	\$100,166	\$100,166	\$210,751	\$210,751	\$210,751
Tax	\$6,390	\$6,390	\$12,138	\$11,591	\$12,055

**For adjusted gross income levels of \$20,000, \$40,000, and \$60,000 the average itemized deduction is less than the standard deduction. Taxpayers will choose the standard deduction.

Adjusted Gross Income	Itemized Deduction
\$20,000	\$6,110
\$40,000	\$7,006
\$60,000	\$9,445

Married Couple, One Income, No Dependents, Standard Deduction

	Current Montana Law Joint Return	SB 282 Joint Return	HB532 Joint Return	HB581 Joint Return
Adjusted Gross Income	\$20,000	\$20,000	\$20,000	\$20,000
Standard Deduction	\$4,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$11,520	\$500	\$500	\$500
Tax	\$329	\$20	\$28	\$5
Adjusted Gross Income	\$40,000	\$40,000	\$40,000	\$40,000
Standard Deduction	\$8,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$27,520	\$20,500	\$20,500	\$20,500
Tax	\$1,377	\$913	\$1,128	\$640
Adjusted Gross Income	\$60,000	\$60,000	\$60,000	\$60,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$47,120	\$40,500	\$40,500	\$40,500
Tax	\$2,730	\$2,093	\$2,228	\$1,840
Adjusted Gross Income	\$100,000	\$100,000	\$100,000	\$100,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$87,120	\$80,500	\$80,500	\$80,500
Tax	\$5,490	\$4,453	\$4,428	\$4,240
Adjusted Gross Income	\$250,000	\$250,000	\$250,000	\$250,000
Standard Deduction	\$8,400	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$237,120	\$230,500	\$230,500	\$230,500
Tax	\$15,840	\$13,303	\$12,678	\$13,240

Married Couple, One Income, No Dependents, Itemized Deduction

	Current Montana Law Joint Return	SB 282 Joint Return	HB532 Joint Return	HB581 Joint Return
Adjusted Gross Income	\$20,000	\$20,000	\$20,000	\$20,000
Itemized Deduction	\$9,441	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$6,079	\$500	\$500	\$500
Tax	\$107	\$20	\$28	\$5
Adjusted Gross Income	\$40,000	\$40,000	\$40,000	\$40,000
Itemized Deduction	\$11,939	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$23,581	\$20,500	\$20,500	\$20,500
Tax	\$1,105	\$913	\$1,128	\$640
Adjusted Gross Income	\$60,000	\$60,000	\$60,000	\$60,000
Itemized Deduction	\$15,594	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$39,926	\$40,500	\$40,500	\$40,500
Tax	\$2,233	\$2,093	\$2,228	\$1,840
Adjusted Gross Income	\$100,000	\$100,000	\$100,000	\$100,000
Itemized Deduction	\$21,142	\$13,366	\$13,366	\$13,366
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$74,378	\$79,034	\$79,034	\$79,034
Tax	\$4,610	\$4,367	\$4,347	\$4,152
Adjusted Gross Income	\$250,000	\$250,000	\$250,000	\$250,000
Itemized Deduction	\$32,250	\$24,049	\$24,049	\$24,049
Personal Exemptions	\$4,480	\$7,600	\$7,600	\$7,600
Taxable Income	\$213,270	\$218,351	\$218,351	\$218,351
Tax	\$14,194	\$12,586	\$12,009	\$12,511

**For adjusted gross income levels of \$20,000, \$40,000, and \$60,000 the average itemized deduction is less than the standard deduction. Taxpayers will choose the standard deduction.

Adjusted Gross Income	Itemized Deduction
\$20,000	\$6,110
\$40,000	\$7,006
\$60,000	\$9,445

Married Couple, Two Equal Incomes, No Dependents, Standard Deduction

	Current Montana Law		SB 282	HB532	HB581
	Separate Returns		Joint Return	Joint Return	Joint Return
Adjusted Gross Income	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000
Standard Deduction	\$2,000	\$2,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$5,760	\$5,760	\$500	\$500	\$500
Tax	\$98	\$98	\$20	\$28	\$5
Adjusted Gross Income	\$20,000	\$20,000	\$40,000	\$40,000	\$40,000
Standard Deduction	\$4,000	\$4,000	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$13,760	\$13,760	\$20,500	\$20,500	\$20,500
Tax	\$452	\$452	\$913	\$1,128	\$640
Adjusted Gross Income	\$30,000	\$30,000	\$60,000	\$60,000	\$60,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$23,560	\$23,560	\$40,500	\$40,500	\$40,500
Tax	\$1,104	\$1,104	\$2,093	\$2,228	\$1,840
Adjusted Gross Income	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$43,560	\$43,560	\$80,500	\$80,500	\$80,500
Tax	\$2,484	\$2,484	\$4,453	\$4,428	\$4,240
Adjusted Gross Income	\$125,000	\$125,000	\$250,000	\$250,000	\$250,000
Standard Deduction	\$4,200	\$4,200	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$118,560	\$118,560	\$230,500	\$230,500	\$230,500
Tax	\$7,659	\$7,659	\$13,303	\$12,678	\$13,240

Married Couple, Two Equal Incomes, No Dependents, Itemized Deduction

	Current Montana Law		SB 282	HB532	HB581
	Separate Returns		Joint Return	Joint Return	Joint Return
Adjusted Gross Income	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000
Itemized Deduction	\$4,097	\$4,097	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$3,663	\$3,663	\$500	\$500	\$500
Tax	\$46	\$46	\$20	\$28	\$5
Adjusted Gross Income	\$20,000	\$20,000	\$40,000	\$40,000	\$40,000
Itemized Deduction	\$6,470	\$6,470	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$11,290	\$11,290	\$20,500	\$20,500	\$20,500
Tax	\$318	\$318	\$913	\$1,128	\$640
Adjusted Gross Income	\$30,000	\$30,000	\$60,000	\$60,000	\$60,000
Itemized Deduction	\$9,086	\$9,086	\$11,900	\$11,900	\$11,900
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$18,674	\$18,674	\$40,500	\$40,500	\$40,500
Tax	\$767	\$767	\$2,093	\$2,228	\$1,840
Adjusted Gross Income	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Itemized Deduction	\$13,463	\$13,463	\$13,366	\$13,366	\$13,366
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$34,297	\$34,297	\$79,034	\$79,034	\$79,034
Tax	\$1,845	\$1,845	\$4,367	\$4,347	\$4,152
Adjusted Gross Income	\$125,000	\$125,000	\$250,000	\$250,000	\$250,000
Itemized Deduction	\$20,354	\$20,354	\$24,049	\$24,049	\$24,049
Personal Exemptions	\$2,240	\$2,240	\$7,600	\$7,600	\$7,600
Taxable Income	\$102,406	\$102,406	\$218,351	\$218,351	\$218,351
Tax	\$6,544	\$6,544	\$12,586	\$12,009	\$12,511

**For adjusted gross income levels of \$20,000, \$40,000, and \$60,000 the average itemized deduction is less than the standard deduction. Taxpayers will choose the standard deduction.

Adjusted Gross Income	Itemized Deduction
\$20,000	\$6,110
\$40,000	\$7,006
\$60,000	\$9,445

Impacts of HB 532 by Decile of Total Household Income

Decile	Income Range	Net Change in Tax Liability					% Change in	
		\$ million	%	% Losers	% Winners	% Even		
0	less than \$0	\$0.261	511%	0.1%	0.1%	97.9%		
1	\$0 - \$5,815	-\$0.358	-93%	0.0%	2.0%	97.7%	0.26%	
2	\$5,816 - \$11,290	-\$1.673	-72%	1.3%	35.1%	62.7%	0.40%	
3	\$11,291 - \$17,144	\$1.037	16%	27.8%	20.3%	47.1%	-0.15%	
4	\$17,145 - \$23,642	\$4.012	29%	49.8%	20.6%	24.5%	-0.42%	
5	\$23,643 - \$31,729	\$5.772	22%	46.5%	24.7%	24.1%	-0.45%	
6	\$31,730 - \$42,456	\$6.727	15%	49.2%	27.0%	16.3%	-0.39%	
7	\$42,457 - \$56,355	\$8.523	13%	52.7%	26.8%	12.0%	-0.37%	
8	\$56,356 - \$74,586	\$9.675	10%	51.8%	27.0%	9.1%	-0.34%	
9	\$74,587 - \$103,203	\$5.330	3%	38.9%	29.7%	10.3%	-0.13%	
10	\$103,204 and Over	-\$33.876	-7%	14.5%	63.4%	4.4%	0.34%	

2012 Personal Exemptions, Standard Deductions, and Age-Related Income Exemptions

Montana

Federal

Standard Deduction	20% with Minimum of \$3,720 Joint or Head of Household, \$1,860 Single or Separate, and Maximum of \$8,400 Joint or Head of Household, \$4,200 Single or Separate	\$11,900 Joint, \$8,700 Head of Household, \$5,950 Single or Separate
Personal Exemption	\$2,240	\$3,800
Additional Age-Based Exemption or Standard Deduction	Additional Personal Exemption if Age 65+, \$2,240 / taxpayer	Additional Standard Deduction if Age 65+ \$1,150 / taxpayer if married, \$1,450 Single or Head of Household
Age-Based Exempt Income	Retirement Income \$3,830 per taxpayer, phases out for combined Federal Adjusted Gross Income over \$31,920 Interest Income \$800/taxpayer Age 65+	

Taxpayer Impacts of Provisions of Income Tax Simplification Bills

For a bill to be revenue neutral, the total of tax increases must equal the total of tax reductions.

Eliminating Credits

Increases taxes for specific taxpayers who use credits.

Tie to Federal Taxable Income

Larger personal exemption and standard deduction

Reduces taxes for all by reducing taxable income.

Largest reduction for taxpayer with dependents who take standard deduction.

Smallest reduction for taxpayers age 65+ with no dependents who itemize.

Eliminating state additions and subtractions to income and state-specific itemized deductions

Increases taxes for specific taxpayers who use itemized deductions for federal taxes, health and long-term care insurance premiums, political contributions, or dependent care expenses.

Increases taxes for specific taxpayers who use Montana-specific tax-favored savings accounts.

Eliminating Married Separate on the Same Form

Increases taxes on couples who currently file separate returns on the same form.

Rate Changes

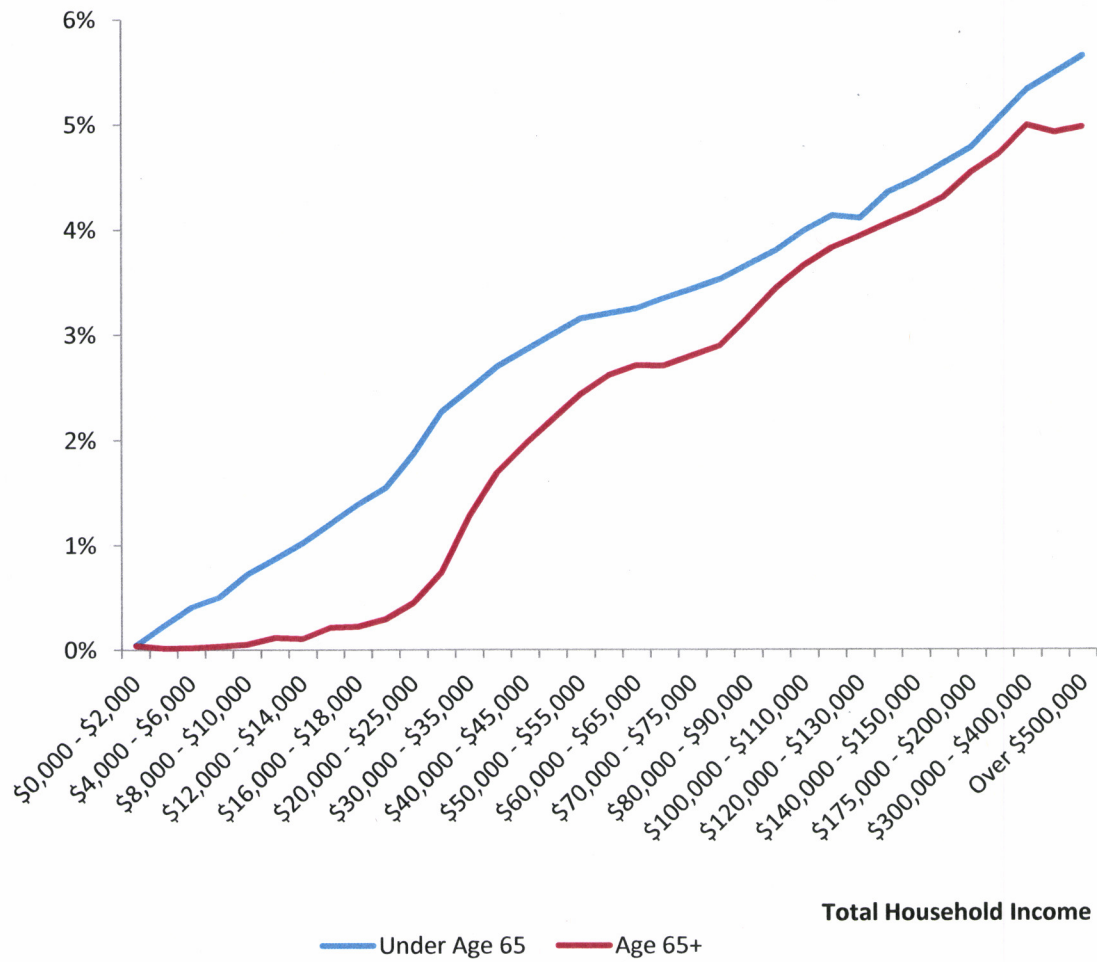
For given taxable income, lower rates reduce taxes and higher rates increase taxes.

Interacts with changes in taxable income.

Tax as Percent of Income - Under and Over 65

Current Law

Tax/Income



Tax as Percent of Income - Under and Over 65 HB532

Tax/Income

